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CONTENTS

7 July 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Reportage on Quadrilateral Trade Talks 1
  Trade Ministers Begin Talks 6 Jul *[Tokyo KYODO]* 1
  U.S. Textile Issue Stalls Talks *[Tokyo KYODO]* 1
  EC Urges Tokyo To Reduce Trade Surplus *[Munich SUEDDEUTSCHE ZEITUNG 7 Jul]* 1
  Discussions Resume 7 Jul *[Tokyo KYODO]* 2
  'Broad Agreement' on Market Access *[Tokyo KYODO]* 2
  Trade Talks End *[Tokyo KYODO]* 2
Nations Suspend Pollack Fishing in Bering Sea *[Tokyo KYODO]* 3

INTER-ASIAN AFFAIRS

ASEAN Officials To Coordinate on U.S. Proposal *[Bangkok THE NATION 3 Jul]* 4
Spratlys Working Group Agrees on Cooperation Spheres *[AFP]* 4

NORTHEAST ASIA

Japan

Mori-Kantor Meeting Described as 'Friendly' *[KYODO]* 5
Proposals for New Trade Framework With U.S. 5
  Mori Backs Miyazawa Initiative *[KYODO]* 5
  Reference Indicators Proposed *[KYODO]* 5
Government Reaffirms Opposition to Trade Targets *[KYODO]* 6
Tokyo Proposes Market 'Reference Indicators' *[Tokyo TV]* 6
Hayashi, Bentsen Seek Successful Uruguay Round *[KYODO]* 6
Muto, Christopher Agree To Hold Security Talks *[KYODO]* 6
Ministries Welcome Clinton 'Jobs Summit' Proposal *[KYODO]* 7
Miyazawa Hails Clinton's Choice for Ambassador *[KYODO]* 7
Clinton Meets Opposition Leaders at Reception *[KYODO]* 8
Projectiles Fired at U.S. Base in Zama 8
  Police Suspect 'Extremists' *[KYODO]* 8
  No Injury, Damage Reported *[KYODO]* 9
Radicals Suspected in Blast at Osaka UN Center *[KYODO]* 9
Belgian Premier Asks Miyazawa To Reduce Surplus *[KYODO]* 9
EC Officials Urge 'Further Pump-Priming' *[KYODO]* 9
EC Backs Tokyo Proposal To Meet on Cambodia *[KYODO]* 10
EC Urges Active Role for Tokyo in Asia-Pacific *[KYODO]* 10
Muto Delays Talks With British, German Ministers *[KYODO]* 11
Position Paper on Permanent UNSC Seat Cited *[KYODO]* 11
Minister Calls for Clear Stance on UNSC Seat *[KYODO]* 12
Suharto Said To Back Khmer Rouge Role *[KYODO]* 12
Mieno Forecasts 'Mixed' Economic Performance *[KYODO]* 13
Opposition Parties Call for End to LDP Rule *[KYODO]* 13

North Korea

KCNA Reports 5 Jul U.S. 'Aerial War Exercise' 13
Paper Criticizes ROK's Stance on Unions *[KCNA]* 13
Dailies View Recent Comments by ROK Leaders *[KCNA]* 14
Papers, Meetings Mark International Solidarity 14

  - Paper Notes Unity With Cuba *[KCNA]* 14
  - Cuba, Peru Host Solidarity Functions *[KCNA]* 15
  - Cuban Official Lauds Korean Socialism *[KCNA]* 15
  - Meeting Celebrates Solidarity With Cuba *[KCNA]* 16
- Malaysian Parliamentary Delegation Arrives 5 Jul *[KCNA]* 16
- President Kim Il-song Greets Yugoslav President *[KCNA]* 16
- Kim Il-song Greets President of Cape Verde *[KCNA]* 16
  - Daily Marks Cape Verde Independence Day *[KCNA]* 17
- Kim Il-song Greets Venezuelan President *[KCNA]* 17
  - Paper Views Friendly Ties *[KCNA]* 17
- Kim Il-song Greets President of Malawi *[KCNA]* 17
  - Greets President of Comoros *[KCNA]* 17
  - Greets New Premier of Belize *[KCNA]* 18
- Foreign Leaders Support Reunification Plan *[KCNA]* 18
- Daily Praises Unity in Anti-Imperialist Struggle *[KCNA]* 18
- Daily: Masses Provide Force in Socialist Society *[KCNA]* 18
- Problems in Socialist Economic Management Viewed *[KCNA]* 19
- Army Colonel Stresses Loyalty to Party *[KCNA]* 19
- KCNA Reviews 3 Jul Pyongyang Press 20
  - Reviews 5 Jul NODONG SINMUN 21
  - Reviews 6 Jul Pyongyang Press 21
  - Reviews 7 Jul Pyongyang Press 22

South Korea

- Clinton Expected To Clarify 'Win-Hold-Win' *[YONHAP]* 23
- DP: Clinton National Assembly Speech 'Affront' *[YONHAP]* 23
  - Chairman Advises Members Not To Attend *[CHUNGANG ILBO 7 Jul]* 23
- U.S. Official Applauds Financial Reform Plan *[THE KOREA TIMES 7 Jul]* 24
- Article Previews Summit With U.S. *[CHOSON ILBO 6 Jul]* 25
- Kim Urges Ministers To Attain Economic Aims *[YONHAP]* 26
  - Urges Continuation of Reforms *[YONHAP]* 26
  - Decries Econominc 'Stumbling Block' *[YONHAP]* 26
  - Vows No Intention To Isolate, Absorb North *[Seoul Radio]* 26
- Inter-Korean Trade Down 17.7% in First Half *[YONHAP]* 27
- Firm Ships Cargo to PRC Through DPRK Port *[THE KOREA TIMES 7 Jul]* 27
- Kim Restates Three-Phase Unification Formula *[YONHAP]* 27
- Implementation of North-South Agreement Urged *[TONG-A ILBO 6 Jul]* 28
- Government May Overhaul Martial Law Regulation *[THE KOREA HERALD 4 Jul]* 29
- Deputy Premier on Results of 100-Day Economic Plan *[YONHAP]* 30
- Further on Hyundai Group Labor Dispute 30
  - Ulsan Firms Lose $979 Million *[YONHAP]* 30
  - Prosecutors Investigate Labor Activists *[YONHAP]* 30
  - Ministry To Work To Prevent Strike *[YONHAP]* 31
  - 8 of 9 Unions Stage One-Day General Strike *[YONHAP]* 31
- Farming Population To Decrease 'Sharply' by 1998 *[YONHAP]* 32
  - President Urges Further Decline *[YONHAP]* 32
- BAI Questions Defense Minister on Yulgok Project *[YONHAP]* 32
  - Seoul Reportedly Asks U.S. for Records *[CHOSON ILBO 7 Jul]* 32
- Army Officer Admits to 1985 Burglary of Kim's Home *[YONHAP]* 33
  - Names Retired Officer as Boss *[YONHAP]* 33
- Compensation Sought for Russian KAL Downing *[YONHAP]* 33
- Number of Japanese Tourists Drops for 2d Year *[YONHAP]* 34
- UPP's Pak Chol-on Denies Receiving Bribes *[YONHAP]* 34

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Military Observers Leave Cambodia 7 Jul *[BERNAMA]* 35
No Decrease in Thai Trawlers Poaching Fish *[Bangkok THE NATION 4 Jul]* 35

Singapore

Daily Sees Southeast Asian Arms Race Unlikely *[THE STRAITS TIMES 2 Jul]* 35
UK's Hurd Meets With Premier, Foreign Minister *[Singapore Radio]* 36
Australian Minister Warns Against Protectionism *[THE STRAITS TIMES 2 Jul]* 36
Daily Reports Promotions of Military Officers *[THE STRAITS TIMES 30 Jun]* 37

Cambodia

Sihanouk Addresses New Government at Ceremony *[Phnom Penh Radio]* 37
Sihanouk Invites Investors for Economic Zone *[Singapore BUSINESS TIMES 3-4 Jul]* 46
U.S. Ambassador to UN Arrives for Visit *[Phnom Penh Radio]* 47
Khmer Rouge Capture Preah Vihear Temple 7 Jul *[AFP]* 47

Indonesia

Suharto Leaves for Tokyo as NAM Head *[Jakarta Radio]* 47
    Dailies View 'Challegning' Mission *[Jakarta Radio]* 48
    Significance of Visit Viewed *[Jakarta Radio]* 48
Editorial Rejects Interference in Human Rights *[SUARA PEMBARUAN 16 Jun]* 48
Two Fretilin Members Surrender to Military 9 Jun *[THE JAKARTA POST 25 Jun]* 49
East Timor Youths' Political Asylum Bid Viewed *[Jakarta Radio]* 49
    Amnesty International, Fretilin Blamed *[ANTARA]* 49
Leading Dissident Sadikin Interviewed *[TEMPO 26 Jun]* 50
Daily Views Banks' Stagnant Credit Situation *[MERDEKA 14 Jun]* 52
Agency, British Aerospace Sign Cooperation Accord *[Jakarta Radio]* 53

Laos

Leaders Greet Cambodian Government Counterparts *[Vientiane Radio]* 53
Trade, Tourism Zone Planned for Mekong Bridge Area *[Vientiane Radio]* 53
PRC Delegation Ends Official Visit 6 Jul *[Vientiane Radio]* 53
Minister Returns From Australia 6 Jul *[Vientiane Radio]* 54
Company Loses License for Overseas Flights *[Vientiane Radio]* 54
Memorandum on Nam Theun Hydropower Project Signed *[KPL]* 55
Somsavat Lengsavat Receives UN Office Chief *[Vientiane Radio]* 55
Timber Quotas Fixed for Provinces, Enterprises *[Vientiane Radio]* 55
Norway Provides Aid for Drought-Affected Area *[Vientiane Radio]* 56
Sixty-Seven Refugees Return From Southern China *[Vientiane Radio]* 56
Government Bans Cigarette Advertisements *[Vientiane Radio]* 56

Philippines

Ramos Discusses U.S. Visit, Denies Plan for 2d Term *[MALAYA 7 Jul]* 56
    Denies Rowe Amnesty, U.S. Visit Linked *[AFP]* 57
    Says 'Six Years Is Enough' *[AFP]* 57
    Launches First Philippine-Owned Power Plant *[BUSINESS WORLD 5 Jul]* 58
    Urges Congress To Pass Modernization Bill *[THE MANILA CHRONICLE 2 Jul]* 58
Economic Authority Approves Hydropower Projects *[MANILA BULLETIN 30 Jun]* 59
'Hardships' Foreseen Without IMF Loan *[THE MANILA CHRONICLE 7 Jul]* 59
Military Plans To Decrease Number of Soldiers *[Manila Radio]* 60

Thailand

- Copyright Bill Ready for House Debate by 31 Jul *[THAI RAT 6 Jul]* 60
- Deputy Minister Questions Russian Arms Purchase *[BANGKOK POST 7 Jul]* 61
- Prasong Confirms Commitment To Help Cambodia *[BANGKOK POST 7 Jul]* 61
- Effect of Australian Cancellation of Margin Viewed *[THE NATION 5 Jul]* 61
- Official Comments on Chinnawat, AsiaSat Meeting *[THE NATION 5 Jul]* 62
- NT Sets Up Base for Push Into Indochina *[THE NATION 6 Jul]* 62
- Consulate: Vietnam Wants More Investment *[Bangkok Radio]* 63
- Export Shortfall Blamed on Movement of Production *[Bangkok Radio]* 63
  - Low Agricultural Prices Faulted *[THE NATION 7 Jul]* 63
- 'Protectionism' Said Causing Loss of Jobs *[BANGKOK POST 7 Jul]* 64
- Meeting With Malaysia, Indonesia Slated *[THE NATION 6 Jul]* 64
- Paper: Opposition No Threat to Government *[THE NATION 4 Jul]* 65
- House Approves Budget Bill in First Reading *[Bangkok Radio]* 66

Vietnam

- Clinton Decision To End Loan Embargo Reported *[Hanoi Radio]* 66
- Further Reportage on National Assembly Session 67
  - 1 Jul Morning Proceedings *[Hanoi Radio]* 67
  - Deputies Discuss Draft Land Law *[Hanoi Radio]* 68
  - Land Use Tax Debates Continue 3 Jul *[Hanoi Radio]* 70
  - Assembly Congratulates Cambodian Leaders *[VNA]* 70
  - More Liberal Laws on Special Taxes Passed *[VNA]* 70
  - 6 Jul Afternoon Proceedings Viewed *[Hanoi Radio]* 70
  - Assembly Passes Two Laws 6 Jul *[VNA]* 71
  - Issues Communique No 12 *[Hanoi Radio]* 71
  - Deliberations Continue 7 Jul *[Hanoi Radio* 72
- Congratulations Messages Sent to Cambodian Leaders *[VNA]* 72
- Significance of Party Fifth Resolution Asserted *[Hanoi Radio]* 72
- Premier Releases Directive on Foreigners *[Hanoi International]* 72
- Agreement Signed 3 Jul for Japanese Aid *[VNA]* 72
- Prime Minister To Visit Cuba in 'Near Future' *[VNA]* 72
- Vo Van Kiet Holds Talks With Belgian Official *[VNA]* 73
  - Meets With EC President *[VNA]* 73
- First Stock Exchange To Open This Year *[Hanoi International]* 74
- ROK Airline Begins Flight to Ho Chi Minh City *[Hanoi International]* 74
- Canada Upgrades Diplomatic Mission to Embassy *[Hanoi International]* 74

Reportage on Quadrilateral Trade Talks

Trade Ministers Begin Talks 6 Jul

OW0607122193 Tokyo KYODO in English 1159 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Trade ministers from Canada, the European Community (EC), Japan, and the United States started talks Tuesday [6 July] night in Tokyo on the eve of the Group of Seven (G-7) summit to work out a market-access package for goods and services. The so-called "quadrilateral" meeting aims to present the package to the G-7 leaders at their three-day summit starting Wednesday in the hope it will give impetus to the long-stalled Uruguay Round of global trade talks under the General Agreement on Tariffs and Trade (GATT), officials said.

However, the package could be smaller than expected, and cover only less sensitive issues such as abolishing relatively low tariffs on medical supplies, according to analysts.

Cutting peak tariffs on textiles for the U.S. and scrapping tariffs on semiconductors for the EC as well as those on distilled liquor like whiskey and wood products for Japan are controversial issues. The ministers are expected to declare the smaller-than-expected package is "one step forward" toward successful conclusion of the Uruguay Round talks this year, and express the will to continue negotiations. The ministers expect the package to bolster moves after this fall to settle other controversial issues like agriculture, a key issue for developing countries.

High U.S. tariffs on textiles are critical issues in market access talks. The EC says the 12-nation trading bloc will reserve tariff cuts on electronics unless the U.S. accepts a 50 percent reduction in textile duties.

A senior Japanese trade official said it will be difficult for Washington to compromise because the U.S. Government narrowly passed a bill to reduce fiscal deficits with the support of congressmen closely related to the textile industry. As for market access for services, the ministers have been at odds over issues such as maritime transportation for the U.S., television program software for the EC, and foreign lawyer operations for Japan.

The participants are Japan's International Trade and Industry Minister Yoshiro Mori, U.S. Trade Representative Mickey Kantor, EC External Economic Relations Commissioner Sir Leon Brittan, and Canadian International Trade Minister Thomas Hockin.

U.S. Textile Issue Stalls Talks

OW0607213093 Tokyo KYODO in English 1549 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Four-way trade talks Tuesday night [6 July] were stalled over the issue of sharply reducing U.S. tariffs on textile imports, sources close to the meeting said. The sources predicted the talks among Japan, the United States, the European Community and Canada may end inconclusively Tuesday and resume Wednesday morning.

The ministers started the talks Tuesday evening on the eve of the Tokyo summit of the group of seven economic powers in a bid to produce a market access package to inject fresh momentum into the protracted Uruguay Round of gloabl trade talks.

The sources said Japan appears to have made concessions on imports of whisky and other distilled liquors, and the European Community is also showing flexibility on trade in semiconductors and services. The issue of liberalizing financial services has been basically settled, they said.

EC Urges Tokyo To Reduce Trade Surplus

AU0707110193 Munich SUEDDEUTSCHE ZEITUNG in German 7 Jul 93 p 23

["H.M."-signed report: "Harsh Words in the Discussion About the Removal of Trade Surpluses"]

[Text] Tokyo—With unprecedented harshness, EC representatives have called on their Japanese partners and the acting Japanese prime minister, Kiichi Miyazawa, to take measures to eliminate the enormous surpluses in trade with the EC. During a meeting on Tuesday [6 July], one day before the beginning of the world economic summit in Tokyo, EC Commissioners Henning Christophersen and Sir Leon Brittan made it clear that the time of "statistical surveys on this problem" belongs to the past, and that action is required.

At a news conference after the talks, Belgian Prime Minister Jean-Luc Dehaene, who, as council president, is currently deputizing for EC Commission President Jacques Delors, who cannot travel to Tokyo for health reasons, declared that the EC initiative is not aimed at confrontation. Quite the contrary, the EC is willing to seek a joint strategy for the reduction of the trade surpluses. The removal of trade barriers is also required, so that the current Uruguay Round of GATT can be concluded by the end of the year.

EC Commissioner Christophersen then made it even clearer what the Europeans expect from Japan. There has been disappointment that Japan is not making the expected contribution to the recovery of the world economy. The measures that have been taken so far are not liable to increase growth to 3.5 percent in Japan, which would be quite possible given the situation there. The EC is also disappointed that only Japanese goods and services have profited from the stronger domestic demand so far. Imports have not been affected. With its budget surplus, Japan is in a position to make a larger contribution to the recovery of the world economy—by lowering income tax, for example, whereas the EC and the United States have no financial room for maneuver because of their high deficits.

According to EC Commissioner Sir Leon Brittan, the Japanese Government has been emphatically requested to reduce the enormous trade surpluses that pose a problem for the whole world. Progress in this respect is expected for 1994. The surplus has meanwhile reached 3.7 percent of Japan's gross national product, which is very telling. Japan should make a decision as to how it can fulfill the expectations of its trade partners. The EC does not advocate "organized trade" or the stipulation of quotas in certain sectors. The EC believes that every individual trade area should be examined to ascertain whether the imbalances are the result of Japanese trade barriers or of insufficient European competitiveness.

Brittan stated that had made it clear to the Japanese prime minister that the talks desired by the Europeans should not be mere theoretical discussions, that the time of statistical surveys on the problem belongs to the past, and that it is now important to make decisions. The Europeans, for example, were annoyed that the United States received four times as many orders as the Europeans within the framework of the public procurement programs last year. The EC insists on the same opportunities as the United States.

Japanese representatives also commented on this issue at a news conference. Delegation members stressed that the EC representatives had insisted on a binding Japanese promise that the trade surplus will not exceed 3.2 percent of the gross national product in 1994. Japan was not able to comply with this request. Also, the trade surplus vis-a-vis the EC is declining.

Discussions Resume 7 Jul

OW0707020393 Tokyo KYODO in English 0117 GMT 7 Jul 93

[Text] Tokyo, July 7 KYODO—Top trade negotiators from Canada, the European Community, Japan and the United States on Wednesday [7 July] resumed discussions which they say are a last-ditch effort to work out a market-access package. The four-way trade meeting, which began just before 9 p.m. Tuesday in a downtown Tokyo hotel, was suspended after six hours because of squabbling over reducing or scrapping tariffs.

The trade ministers include Mickey Kantor of the U.S. and Japan's Yoshiro Mori. They hope to present a package to the leaders of the Group of Seven (G-7) economic powers, who are seeking successful conclusion of the drawn-out Uruguay Round of free trade talks.

Japanese Foreign Minister Kabun Muto, after the overnight meeting, told reporters, "there was some progress. But we have to have further discussions before finalizing the package."

Under the package, the U.S. is to reduce peak tariffs on textile imports by up to 30 percent, while Japan is to lower tariffs on distilled liquors, such as whiskey and plywood, and the 12-nation European trading bloc is to cut nonferrous metal tariffs.

"The trade ministers are making final efforts to expand the number of imports on which tariffs are to be reduced," a Japanese trade official said.

'Broad Agreement' on Market Access

OW0707045393 Tokyo KYODO in English 0416 GMT 7 Jul 93

[Text] Tokyo, July 7 KYODO—Top trade officials from the United States, Japan, the European Community (EC) and Canada have reached a broad agreement on wider market access by lowering tariffs, Japanese Government officials said Wednesday [7 July]. A spokesman for the EC, however, said the trade officials are continuing their talks and have not yet reached "any agreement."

The trade officials are to finalize a market-access package for leaders from the Group of Seven (G-7) industrial nations at the three-day G-7 summit beginning later in the day, according to the officials. The package, which includes a "significant" reduction of tariffs, will give momentum to the G-7 leaders' efforts to conclude by the end of this year the long-stalled Uruguay Round of free trade negotiations under the General Agreement on Tariffs and Trade (GATT), they said.

Meanwhile, Prime Minister Kiichi Miyazawa told reporters that the four-way trade meeting will end "successfully."

Trade Talks End

OW0707084193 Tokyo KYODO in English 0756 GMT 7 Jul 93

[Text] Tokyo, July 7 KYODO—Top trade negotiators from the United States, Japan, the European Community (EC) and Canada on Wednesday [7 July] ended roughly 6 hours of discussions with a market-access package some negotiators described as "smaller than expected."

Japan's Foreign Minister Kabun Muto and International Trade and Industry Minister Yoshiro Mori, who co-chaired the four-way trade meeting, said the package will be presented to the summit of leaders from the Group of Seven (G-7) economic powers, which began three days of talks Wednesday afternoon. The G-7 leaders are expected to issue an economic declaration, calling for successful conclusion by the end of the year of the long-stalled Uruguay Round of free trade negotiations being held under the General Agreement on Tariffs and Trade (GATT).

Under the package, the leading trading powers agreed to cut tariffs on products such as medicines but postponed significant reductions of tariffs on many sensitive items like semiconductors for the EC and distilled liquors and wood products for Japan, according to Japanese Government officials. They said the United States made concessions to slash peak tariffs on textiles by only 30 percent, lower than requested by the EC.

Speaking on condition of anonymity, a British Government official described the package as "progress toward agreements, not as agreements themselves." The trade partners have made "good progress" in the ministerial trade meeting, the official said.

Canadian Trade Minister Tom Hockin said the quad ministers made a major breakthrough in lowering trade barriers in goods and services worldwide. Hockin said the trade negotiators agreed to cut tariffs on many products to zero, bringing tariffs on chemical products to lower and equal levels, reducing most "high tariffs" of more than 15 percent by half, cutting tariffs on other products by one-third, and assuring minimum access for farm products. He also said they agreed to liberalize financial services, telecommunications and professional services.

Hockin told reporters he thought the agreement was "better and more comprehensive" than he expected. Hockin warned, however, that while the Wednesday agreement is the "hop and step leading to the final jump" that can bring the long overdue Uruguay Round of global trade talks to a conclusion by the end of this year, "nothing is agreed until everything is agreed."

All GATT nations participating in the negotiations must accept the same conditions as do the four major powers and all countries must agree on the thorny issue of farm trade before any of the cuts decided Wednesday become binding. If the global negotiators can reach agreement, the cuts decided Wednesday would be phased in over six to 10 years from the signing of an agreement, Hockin said.

For Japan, the agreement would lower or eliminate tariffs on distilled spirits, the Europeans would lower or eliminate tariffs on electronic imports, and the United States would have to move on several fronts. Japan would also have to further open its financial markets and be required to allow easier access for foreign insurance and financial service companies. It is still unclear whether Japan would be required to open its law practices to foreign firms, but legal services will be among the areas discussed.

U.S. Trade Representative Mickey Kantor said in a press conference that the quad trade ministers made a "major breakthrough" in market-access talks. He said the talks resulted in "the largest tariff cut in history" with an agreement on tariff cuts in 18 different sectors. Kantor, predicting a final conclusion of the Uruguay Round by December 15 of this year, said his office has been "attempting to reach a market-access agreement at the behest of the President since February."

"It also represents... approximately 1.4 million net jobs in the next 10 years for the United States alone," Kantor said.

Kantor went on to say, "Not only does this represent the largest tariff cut, it also represents a reengagement and reinvigoration of the Uruguay Round."

Kantor said the quad trade ministers agreed to up to 50-percent reductions of eight tariffs in four of 18 sectors, and in five other sectors, cuts of at least 33 percent, the maximum target for cuts set in 1988 under Uruguay Round talks.

Calling the package "very impressive," the top U.S. trade negotiator said, "Now we have a lot of work to be done," noting that there is still no resolution on "tough issues in services, agriculture, and in the trade rules themselves."

Nations Suspend Pollack Fishing in Bering Sea

OW0107234593 Tokyo KYODO in English 1402 GMT 1 Jul 93

[Text] Tokyo, July 1 KYODO—Japan and five other nations Thursday [1 July] finished a three-day Bering Sea International Waters Fishery Conference in Tokyo with an agreement to resume Alaska pollack fishing when resources recover to 1.67 million tons, Japanese officials said. The interested nations have agreed to suspend Alaska pollack fishing in Bering Sea international waters for two years—1993 and 1994—in view of a decline in pollack resources as a result of reckless fishing. The other five nations are China, South Korea, Poland, Russia and the United States.

The six nations agreed on their estimate that Alaska pollack resources in the waters in 1993 are not much different from the 1.33 million tons in 1992. The officials said prospects are not very bright for an early resumption in 1995 or beyond.

The six nations also agreed to finish by the end of this year their talks for drawing up an agreement on the management of pollack resources and fishing quotas after the suspension ends, the officials said.

It was agreed that the next conference be held in South Korea this fall or later.

ASEAN Officials To Coordinate on U.S. Proposal

BK0307042693 Bangkok THE NATION in English 3 Jul 93 p B2

[Text] SENIOR Asean Six officials are scheduled to meet next week to sort out a common position with reference to the United States' proposal to include trade and intellectual property protection on the Asia-Pacific Economic Cooperation (Apec) agenda.

A Thai official, who asked not to be named, said the Asean joint consultative committee will meet in Indonesia on July 8-9 and consider whether to oppose or support the United States proposal to upgrade the Apec forum's status to a summit meeting and include trade in the discussions.

Kowit Posayanon, a special adviser of the finance minister, will head the Thai delegation to the joint consultative meeting. It will follow meetings of senior Asean and economic officials.

The United States, which will host the Apec meeting in Seattle this year, earlier suggested that it should be followed by a summit meeting of Apec members' heads of state. Australian Trade Minister Peter Cook supported the proposal.

However, Thai Deputy Prime Minister Suphachai Phanitchaphak earlier expressed opposition to any new trade body which could tarnish the significancy of the General Agreement on Tariffs and Trade (Gatt) multilateral trade organization.

The Thai officials said that Apec should be maintained as a forum for loose cooperation among the Asia-Pacific countries. Apec is now currently discussing how to promote information linkage and technology within the group.

Apec comprises the United States, Canada, Australia, New Zealand, Japan, South Korea, China, Taiwan, Hong Kong and the Asean Six.

The official said that the other Asean countries have not yet made it clear whether they would support or reject the the United States', and Australia backed, proposal.

But the official expects the other countries will eventually join forces with Thailand to oppose the proposal to upgrade the Apec meeting's status.

Spratlys Working Group Agrees on Cooperation Spheres

BK0607143093 Hong Kong AFP in English 1412 GMT 6 Jul 93

[Text] JAKARTA, July 6 (AFP)—A working group on the South China Sea Tuesday ended a two-day meeting here with agreements on four possible spheres of cooperation in the area, including in the disputed Spratly islands. The group meeting on resource assessment and development in the South China Sea, involving officials from 10 Asian countries who took part in their personal capacity, agreed to propose the four spheres to their respective authorities, co-chairman Hasyim Jalal of Indonesia said. The meeting, Jalal said, "specially discussed resource assessment in the South China Sea...the discussions were rather more detailed than in previous meetings."

Participants agreed to recommend to their respective authorities cooperation in fishery stock assessment in the South China Sea under the coordination of Thailand, Jalal said. They also agreed to recommend cooperation in studying matters related to non-hydrocarbon, non-living resources in the same area, especially geological and geophysical data. The meeting decided to recommend Indonesia to coordinate a joint preliminary study on a suitable sedimentary basin to look for potential hydrocarbon resources. In the non-living, non-mineral resources, which Jalal said would include such areas as nature and tourism, the meeting agreed to recommend investigation of the feasibility of setting up a marine reserve or marine park within the multiple claim area.

Jalal said the workshop would later define the location of the reserve if the participating countries accept the scheme and that the activities that could take place there would include joint scientific research and eco-tourism.

The two-day technical meeting was held as a follow-up to a third workshop on managing potential conflicts in the South China Sea, hosted by Indonesia in Yogyakarta, central Java, last year.

Another working group of the same workshop met in Manila last month and agreed to set up a small group of experts to continue researching marine issues, and suggested the possibility of conducting joint expeditions in the area.

Indonesia has hosted all three workshops on the issue since 1990 and will hold the fourth one in Surabaya, east Java, on August 23-26, Jalal said.

The workshops, informal in nature as representatives came in their personal capacity, have so far mainly focused on ways to ease tension in the multinational dispute over the Spratlys.

Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam have laid claims on part or all of the Spratlys, a strategically located group of islands in the South China sea. The sea floor in the area is believed to be rich in oil and gas deposits. Past meetings had involved the participation of representatives of the six claimant countries together with Indonesia, Laos, Singapore and Thailand.

Japan

Mori-Kantor Meeting Described as 'Friendly'

OW0607115793 Tokyo KYODO in English 1143 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Japanese and U.S. trade ministers had in-depth talks about market access for goods and services just before starting a four-way trade discussion Tuesday [6 July] night, Trade Ministry officials said. During a 40-minute meeting ahead of the quadrilateral talks, Japan's International Trade and Industry Minister Yoshiro Mori and U.S. Trade Representative Mickey Kantor had a broad discussion on a market-access package, the officials said.

The "quad" meeting of trade ministers from Canada, the European Community (EC), Japan, and the United States aims to work out the package as part of the Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade (GATT).

The officials declined to comment on the substance of the bilateral meeting, but quoted Kantor as saying that he wishes to move forward quickly and see progress. Mori was quoted as replying, "the world has an interest (in the global trade talks) and the quad meeting is a focus, so let's have a good meeting." The officials described the meeting as friendly.

Proposals for New Trade Framework With U.S.

Mori Backs Miyazawa Initiative

OW0607034493 Tokyo KYODO in English 0330 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Japan's trade minister on Tuesday [6 July] backed Prime Minister Kiichi Miyazawa's initiative on new framework talks with the United States by proposing criteria to review Japanese results in boosting imports and cutting the trade surplus.

"(The new proposal was the) prime minister's positive action in hopes of finalizing (a new framework) this time," said International Trade and Industry Minister Yoshiro Mori at a news conference,

Miyazawa has offered a compromise to the U.S. proposal of numerical targets in introducing an "illustrative set of criteria" for the purpose of promoting collaborative efforts in sectoral and structural areas.

The talks on a new trade framework stalled over a U.S. demand for quantitative benchmarks to measure Japan's progress in correcting the trade imbalance between the two nations.

Mori said the government's policy against any sort of targets for the future remains unchanged.

"Figures set as targets, even if expected value, might go alone (as commitments)," Mori said.

Turning to a quadrilateral minister-level meeting starting later in the day, Mori said he and his counterparts from Canada, the European Community (EC) and the U.S. could make political decisions there on a market-access package for goods and services.

A working-level four-way meeting resumed in Tokyo on Monday and will continue Tuesday afternoon, Mori said, to finalize a draft report to be submitted to leaders of the Group of Seven (G-7) at their three-day summit starting Wednesday.

The ministers from the four economic powers will have a fairly thorough discussion on the report with a view to working out a "good package" so as not to bring their efforts to nothing, he said.

Reference Indicators Proposed

OW0607020893 Tokyo KYODO in English 0157 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Finance Minister Yoshiro Hayashi said Tuesday [6 July] introduction of nonobligatory reference indicators to liberalize Japanese markets on a sector-by-sector basis is one of the options Japan can take.

Hayashi, although saying he is speaking from a general point of view and not as a direct reference to the current Japan-U.S. trade talks seeking for a new bilateral framework, indicated such an indicator will not be against the principle of free trade as it would not be a pledge.

Prime Minister Kiichi Miyazawa will meet U.S. President Bill Clinton on Tuesday afternoon in Tokyo where one of the highlights of the talks is expected to be on the constructing of the new framework as well as measures to stimulate Japan's economy so that it could help reduce its soaring trade surplus.

Hayashi's remarks came at a regular news briefing held after the morning cabinet meeting.

However, he said Japan has no intention of changing its stance on macroeconomic levels, continuing to oppose the U.S. proposal of setting numerical targets to contain Japan's trade surplus to a certain percentage of gross domestic product.

Hayashi said the current situation concerning the exchange rates is unlikely to be on the table when Miyazawa meets Clinton unless the U.S. brings up the topic.

Clinton, arriving in Tokyo on Tuesday to attend the Group of Seven (G-7) summit meeting this week, will leave Japan on Saturday. The annual meeting by the major economic powers will begin Wednesday.

Government Reaffirms Opposition to Trade Targets

OW0507072493 Tokyo KYODO in English 0651 GMT 5 Jul 93

[Text] Tokyo, July 5 KYODO—Japan's vice trade minister on Monday [5 July] reaffirmed the government's opposition to any kind of targets as a measure of its efforts to reduce its trade surplus and further open its markets.

Hideaki Kumano said at a news conference, "Prime Minister (Kiichi) Miyazawa himself clearly turned down (a U.S. demand for) setting targets or benchmarks. Our policy against any kind of targets remains unchanged."

Kumano made the comment when asked about a report that Japan has offered a compromise proposal to the United States to introduce an "illustrative set of criteria" instead of numerical targets. Washington has demanded targets be enforced to measure Japan's progress in boosting imports and cutting the surplus.

Tokyo Proposes Market 'Reference Indicators'

OW0507051793 Tokyo NHK General Television Network in Japanese 0307 GMT 5 Jul 93

[From "NHK News" program]

[Text] The United States is demanding that Japan make efforts to open its market by setting numerical trade targets in an effort to correct the Japan-U.S. trade friction. In this connection, a Japanese Government source disclosed this morning that the government has presented the U.S Government a compromise plan for introducing "reference indicators" which are designed to examine the progress of market opening in individual trade fields.

In talks on the framework for the new Japan-U.S. economic consultations, the United States in demanding that Japan promote the market opening in specific trade fields by setting concrete numerical targets in an effort to correct trade imbalance between the two countries. On the other hand, Japan has already indicated its stance of refusing the U.S. demand, maintaining that setting target figures in specific fields will result in managed trade. This issue of setting numerical targets is a major focal point of the Japan-U.S. summit talks between Prime Minister Kiichi Miyazawa and President Bill Clinton scheduled to be held tomorrow.

Touching on this issue, the government source told reporters this morning that Japan is proposing to the United States a plan for introducing "reference indicators" designed to examine the progress of Japan's market opening in specific fields instead of setting numerical targets.

In this connection, Deputy Chief Cabinet Secretary Nobuo Ishihara stated at a news conference held this morning: It is reported that Ambassador to the United States Takakazu Kuriyama is discussing with President Clinton details of the Japanese proposal at Prime Minister Miyazawa's request.

Hayashi, Bentsen Seek Successful Uruguay Round

OW0607123093 Tokyo KYODO in English 1202 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Japanese Finance Minister Yoshiro Hayashi and U.S. Treasury Secretary Lloyd Bentsen agreed Tuesday [6 July] to seek a successful end to the stalled Uruguay Round of global trade talks, a Japanese financial official said.

Noting that the two finance chiefs agreed to keep secret the details of their talks on the eve of the Tokyo summit of the Group of Seven (G-7) economic powers, the official said Hayashi and Bentsen cited the progress in ongoing "quad" ministerial talks. The "quad" talks were held Tuesday night in Tokyo for final negotiation on a market-access package.

At the 50-minute meeting held in parallel to Japan-U.S. summit talks, Hayashi and Bentsen agreed that the G-7 working-level talks on privatization aid to Russia are heading toward completion, the official said. On the aid package agreed at a Tokyo meeting in mid- April of foreign and finance ministers, he said the G-7 discussions are already at the stage of how to effectively implement the aid. He said Russia must now comply with conditions set by international financial institutions. They also briefed each other on economic conditions in each other's country and efforts to prop up business activities to prod world economic recovery.

Economic issues in Europe also were taken up in the talks, and the two top financial officials agreed on the need to help developing countries. There was no particular reference to countries in Asia, the official said. The issue of a new Japan-U.S. framework was not discussed, he added.

Muto, Christopher Agree To Hold Security Talks

OW0607130993 Tokyo KYODO in English 1243 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Japanese Foreign Minister Kabun Muto and U.S. Secretary of State Warren Christopher agreed Tuesday [6 July] to hold bilateral cabinet-level security talks soon, Japanese officials said. Foreign Ministry officials said the two diplomats reached the agreement during a meeting at the Foreign Ministry's Iikura Guesthouse.

Tokyo and Washington agreed in 1990 to hold "two plus two" cabinet-level security talks by the foreign and defense ministers of both countries. But their tight schedules have prevented them from holding such talks. As a compromise on the first "two plus two" meeting, Muto suggested that if one of the ministers is present, the other can send a proxy, Foreign Ministry officials said.

They said that Christopher told Muto that the suggestion was "helpful," but they did not elaborate.

On North Korea's refusal to allow further international inspections of suspected nuclear facilities, Christopher said the United States will prevent Pyongyang from producing atomic weapons. Christopher told Muto the United States hopes to settle the North Korean nuclear issue in due time, the Japanese officials said.

North Korea was one of the main topics for discussion in talks between Japanese Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton. Christopher promised to keep in close contact with Japan on the matter, the officials told reporters.

The United States and North Korea are scheduled to hold their next round of high-level talks on the nuclear issue starting July 14 in Geneva. North Korea announced in March it would quit the nuclear Non-Proliferation Treaty but said in June it was suspending the decision after the first round of talks with the U.S. The United States, Japan and South Korea have been trying to resolve the issue through negotiations but there have been no clear indications North Korea will soon allow inspectors from the International Atomic Energy Agency to inspect two suspect facilities near Pyongyang.

Christopher told Muto that Washington will block North Korea from developing nuclear arms, the officials said.

The secretary of state made the comment in referring to a scheduled resumption of high-level talks July 14 between U.S. and North Korean officials.

Ministries Welcome Clinton 'Jobs Summit' Proposal

OW0607033193 Tokyo KYODO in English 0320 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Japan welcomes U.S. President Bill Clinton's proposal for "an international jobs summit" this autumn, a Japanese Foreign Ministry source said Tuesday [6 July].

Clinton announced Monday in San Francisco that he will invite top economic and labor officials from the major industrial nations to meet in the United States to tackle "stubbornly high" unemployment rates in the developed world.

In a speech before leaving for Tokyo for the Group of Seven (G-7) summit, Clinton urged Americans to support his program to cut 500 billion dollars from the budget deficit and noted the vast opportunities for U.S. business in the Asia-Pacific region.

The source said Clinton's speech indicates Washington would press other G-7 nations at the Tokyo summit beginning Wednesday to take measures to help boost global economic growth.

The speech also makes it certain that the U.S. will continue its results-oriented policy toward Japan and other Asia-Pacific nations, the Foreign Ministry source said.

"It highlights the U.S. policy of pressing for open markets both in goods and services in the region," the source said.

Labor Minister Masakuni Murakami told reporters that he also supports Clinton's proposal, saying it is similar to his own proposal to hold a meeting of G-7 labor ministers.

Murakami said he will consult with U.S. officials on Clinton's proposal.

Murakami proposed at a cabinet meeting earlier Tuesday that Japan host a meeting of G-7 labor ministers, government officials said.

Prime Minister Kiichi Miyazawa endorsed Murakami's proposal, saying he will keep it in mind in attending the G-7 summit.

Miyazawa Hails Clinton's Choice for Ambassador

OW0607143593 Tokyo KYODO in English 1405 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Washington remains hopeful a trade agreement aimed at reducing Japan's huge trade surplus can be achieved in the near future, but downplayed expectations Tuesday [6 July] for an early agreement.

David Gergen, counselor to President Bill Clinton, indicated some progress had been made in talks over a bilateral consultative trade framework agreed on with Japanese Prime Minister Kiichi Miyazawa at their first meeting in April.

The two leaders had hoped to have the framework in place by the start of the Group of Seven (G-7) summit opening here Wednesday, but talks stalled over U.S. aims to include numerical targets to measure progress in reducing the 50 billion dollar trade imbalance.

Tokyo rejected all suggestions of the benchmarks as "managed trade," but allowed last week that a non-binding "set of illustrative criteria" may be acceptable.

Briefing reporters on Clinton's first day in Tokyo, Gergen said that if an agreement on the framework can be reached "it would represent a considerable step beyond anything America and Japan have had in the past in the trading area."

Secretary of State Warren Christopher also downplayed expectations for an early agreement, but admitted that "the Japanese have moved in our direction."

Christopher said that Clinton's first journey as president outside of North America should be seen as a "multidimensional trip" and not just in terms of the G-7 Summit.

Christopher said the trip underlines the importance Clinton places on the U.S. relationship with Asia economically as well as in the area of regional security arrangements.

Clinton will spell out his Asian policy in a speech Wednesday at Waseda University in Tokyo and on Saturday to the South Korean National Assembly.

In their meeting, Miyazawa hailed Clinton's choice of Asia for his first overseas journey as president and also welcomed the choice of former Vice President Walter Mondale as the next ambassador to Japan, said Gergen.

Miyazawa also expressed an appreciation for the work of current Ambassador Michael Armacost.

Clinton Meets Opposition Leaders at Reception

OW0607131393 Tokyo KYODO in English 1300 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—U.S. President Bill Clinton met with leaders of Japan's opposition political parties Tuesday [6 July] less than an hour after saying the United States takes no position in the political ferment sweeping Japan.

Clinton, who arrived earlier in the day for the Group of Seven (G-7) summit, met the leaders from Japanese political, media, business and academic worlds at a reception held at the U.S. ambassador's residence in Tokyo. The political leaders included Tsutomu Hata, who broke away last month from Prime Minister Kiichi Miyazawa's Liberal Democratic Party to form Shinseito (Japan Renewal Party), and Morihiro Hosokawa, leader of the Japan New Party. Former Prime Minister Toshiki Kaifu was also among them.

Only hours before, Clinton held a meeting with Miyazawa to discuss bilateral, regional and global issues and hailed the prime minister's efforts in trying to successfully conclude negotiations aimed at setting up a bilateral trade framework to ease the current trade imbalance.

At a press conference following Clinton's meeting with Miyazawa, the President said, "The United States takes no position on how the people of Japan should vote or will vote" in the July 18 general election for the House of Representatives. He cast the political ferment in Japan as a "thirst for political reform," indicating a willingness to work with the LDP or whatever modified form of government emerges from the election.

According to the pool report, a U.S. Embassy official remarked that "everyone of importance from the (Japanese) political world" was at the reception hosted by Ambassador Michael Armacost. The report said that the ambassador made up the guest list and that it was approved by the White House.

Recently, statements out of Washington have hinted that the administration may be willing to wait until after the July 18 election before conducting any business with Japan.

Other guests at the reception included LDP Secretary General Seiroku Kajiyama, former Foreign Minister Michio Watanabe, Federation of Economic Organizations (Keidanren) Chairman Gaishi Hiraiwa, Japan Chamber of Commerce and Industry President Rokuro Ishikawa, political reformist Kenichi Omae, Nobel prize winner and Tsukuba University President Reona Esaki. Addressing the guests, Clinton stressed the need to adjust trade imbalances and the need for reform and change.

Projectiles Fired at U.S. Base in Zama

Police Suspect 'Extremists'

OW0707013893 Tokyo KYODO in English 0130 GMT 7 Jul 93

[Text] Atsugi, Kanagawa Pref., July 7 KYODO—At least one projectile was apparently fired at the U.S. Army base in Zama, Kanagawa Prefecture, on Wednesday [7 July] morning, police said.

Japanese police officers on guard at the base heard the sound of explosions at 6 A.M. and found a 10-centimeter indentation on the ground under a pine tree some 100 meters inside the main gate. Police said there was a smell of gunpowder around the hole.

Nobody was injured, police said.

Investigators also detected signs of damage at two structures inside the base but were still searching for rocket launchers or parts of projectiles in the area.

Police said they suspect extremists opposed to the Group of Seven summit beginning Wednesday in Tokyo may have fired projectiles at the base.

Meanwhile in Osaka, there was an explosion at a flower and greenery fair in Tsurumi Ward's memorial park around 5 A.M., police said.

The blast shattered glass at the international environmental technology center under construction there, they said.

Nobody was injured by the explosion. Police suspect it may be an attack by radicals to protest the Tokyo summit.

The U.S. Army in Japan later said in a press release that unknown people launched five to six projectiles into Camp Zama, adding that no injury, loss of life or damage occurred.

No Injury, Damage Reported

OW0707044093 Tokyo KYODO in English 0426 GMT 7 Jul 93

[Text] Atsugi, Kanagawa Pref., July 7 KYODO—Five projectiles were fired at the U.S. Army base in Zama, Kanagawa Prefecture, early Wednesday [7 July], police said.

The U.S. Army in Japan later said in a press release that no injury or damage occurred in the attack.

Police said they suspect leftist radicals opposed to the Group of Seven summit beginning Wednesday in Tokyo are responsible for the firing of the projectiles.

Japanese police officers on guard at the base heard the sound of explosions at 6 A.M. and later found five cylindrical metal projectiles with wings near an office building inside the base.

One of the missiles hit the roof of the building and a piece of it flew off and shattered a window pane, police said.

Each projectile was some 30 centimeters long and about 3.5 centimeters in diameter, they said.

Radicals Suspected in Blast at Osaka UN Center

OW0707032593 Tokyo KYODO in English 0308 GMT 7 Jul 93

[Text] Osaka, July 7 KYODO—An explosion Wednesday [7 July] rocked an environmental technology center under construction in Tsurumi Ward, Osaka Prefecture, for the United Nations Environment Program (UNEP), police said.

The blast occurred at around 5 A.M. inside the international environmental technology center being built in a commemorative park of the International Garden and Greenery Exposition Osaka '90.

Twenty-eight windowpanes of the building were shattered but nobody was injured in the explosion, police said.

Police said there was a smell of explosives at the site and they suspect that leftist radicals opposing the Group of Seven summit starting Wednesday in Tokyo are responsible.

UNEP has asked the city of Osaka to manage the technology center, which is scheduled to open in October, city officials said.

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Osaka, July 7 KYODO—Later, investigators found batteries and electric leads—apparently parts of timing devices—and fragments of fire extinguishers at the scene of the explosion, police said.

Judging from the evidence, more than one time bomb packed in fire extinguishers had been planted in the building, police said.

Belgian Premier Asks Miyazawa To Reduce Surplus

OW0607050193 Tokyo KYODO in English 0429 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Belgian Prime Minister Jean-Luc Dehaene urged Japanese Prime Minister Kiichi Miyazawa Tuesday [6 July] to take pump-priming measures to reduce Japan's whopping trade surplus with the European Community (EC), according to Japanese government officials.

Dehaene, who is currently chairman of the 12-nation trading bloc, noted at his meeting with Miyazawa that the scale of the country's trade surplus is big, compared with the gross domestic product (GDP), the officials said.

The Japan-EC summit meeting was attended by EC Economic Affairs Commissioner Henning Christophersen, they said.

Miyazawa pledged to slash Japan's trade surplus through expanding domestic demand.

The Japanese premier stressed that Japan is conducting campaigns in cooperation with Britain and France to increase imports from the EC and noted that the EC's trade deficit with Japan fell 7.6 percent in the January-May period from a year before.

Touching on diplomatic relations between Japan and the EC in Asia and the Pacific region, Dehaene called North Korea's proposed withdrawal from the nuclear nonproliferation treaty (NPT) a "threat" to the world, while Miyazawa expressed his concern over the issue, the officials said.

EC Officials Urge 'Further Pump-Priming'

OW0607085593 Tokyo KYODO in English 0834 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Top European Community (EC) officials urged Japanese Prime Minister Kiichi Miyazawa on Tuesday [6 July] to take further pump-priming measures, including an income tax cut, to reduce Japan's huge trade surplus.

Although Miyazawa did not make "any promises to take any specific actions," he recognized the current condition as being, as the EC side termed it, "a macroeconomic problem for the world," EC External Economic Relations Commissioner Leon Brittan told reporters.

EC officials met the Japanese prime minister on the eve of the Tokyo Summit of the Group of Seven economic powers.

Meanwhile, Japanese Government officials told reporters during a briefing that Miyazawa stressed that Japan is conducting campaigns in cooperation with Britain and France to increase imports from the 12-nation trading bloc.

He noted that the EC's trade deficit with Japan fell 7.6 percent in the January-May period from a year before.

Pledging to slash Japan's trade surplus through expanding domestic demand, Miyazawa sought support for the recent economic stimulus packages, the effects of which are only now beginning to be felt, the Japanese officials said.

EC Economic Affairs Commissioner Henning Christophersen, told reporters Japan has "potential" that is much larger than the rest of the industrial world" in terms of finance.

Japan's trade surplus could reach 150 billion dollars this year, compared with 107 billion in 1992, remain on the uptrend and reach 4.0 percent of the nation's gross domestic product, he said.

Christophersen stressed that "we have been disappointed" with Japan's two fiscal packages, launched last August and April, to promote domestic-led economic growth of 3.5 percent for fiscal 1992 as targeted by the Japanese Government.

He said the EC side called for improving consumption and public procurement of imported goods.

But Brittan said he made "quite clear that we don't believe in managed trade," while stressing the need for a speedy sharp reduction of trade surplus.

Christophersen noted that some binding targets are necessary but not with specific figures and dates.

He said the currency rate issue as a way to cut Japan's trade surplus was not mentioned at the meeting, saying, "it could have but it wasn't."

Christophersen, referring to new trade framework talks underway between Washington and Tokyo, said the EC side rejected "any Japan-U.S. discriminatory accord."

Brittan said the trade surplus problem is already in the stage of assessing specific sectors instead of "statistical process."

On the long-stalled Uruguay round of multilateral trade talks, Brittan said the "quad" talks scheduled Tuesday evening are important to create a "platform" on market access.

The Japanese Government officials quoted Brittan as saying at the meeting that the market access package agreed at the "quad" talks is the start and not the end.

Touching on diplomatic relations between Japan and the EC in Asia and the Pacific region, the EC officials and Miyazawa agreed that North Korea's proposed withdrawal from the nuclear Non-Proliferation Treaty (NPT) is a "threat" to the world and expressed expectations on China's role.

The EC officials reiterated their wish to join the Asia-Pacific Economic Cooperation (APEC) forum, while welcoming Miyazawa's efforts on the issue.

EC Backs Tokyo Proposal To Meet on Cambodia

OW0607123593 Tokyo KYODO in English 1205 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—The European Community (EC) supports Japan's proposal to convene an international conference on the reconstruction of Cambodia in Paris in August, Belgian Foreign Minister Willy Claes said here Tuesday [6 July].

Claes made the remark at a news conference after a meeting between top officials of the 12-nation EC and Japanese Prime Minister Kiichi Miyazawa. The Belgian foreign minister, who met Miyazawa along with Belgian Prime Minister Jean-Luc Dehaene, said that the Japanese leader made the proposal during their talks and that the EC backs the idea.

The Belgians are in Tokyo to attend the three-day summit of the Group of Seven (G-7) major industrialized countries, which opens on Wednesday. The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States. Japan hosts this year's summit in Tokyo.

When Cambodian issues are addressed at the Tokyo summit, Miyazawa will ask other G-7 leaders to extend cooperation in convening the Cambodian reconstruction conference in Paris in August, Japanese officials said. It is likely that the G-7's cooperation in rehabilitating war-torn Cambodia will be mentioned in a political declaration to be released on Thursday morning, the officials said.

The establishment of the international conference on Cambodia's reconstruction was established at last year's international ministerial meeting in Tokyo that discussed how to rebuild the country. The conference is an organization aimed at coordinating reconstruction and development of Cambodia by international bodies and countries concerned.

The Japanese Government has been sounding out other countries about an early convening of the session since an interim government was set up last month after the U.N.-supervised general election which was held from May 23 to 28.

EC Urges Active Role for Tokyo in Asia-Pacific

OW0607084193 Tokyo KYODO in English 0819 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—A senior European Community (EC) official urged Japan on Tuesday [6 July] to play a more active role in ensuring safety and stability in the Asian-Pacific region, Foreign Ministry officials said.

Hans Van Den Broek, the EC commissioner for external political affairs, told Foreign Minister Kabun Muto the EC considers its relations with the Asian-Pacific region important and believes Japan has been taking a relatively modest stance on security. Muto and Van Den Broek also agreed in the meeting on the importance of support for Russia, the officials said.

Muto was quoted as saying the Japanese public's feelings toward Russia have worsened because President Boris Yeltsin twice canceled planned trips to Japan, but it is necessary to support Moscow's reforms based on law and justice.

Muto Delays Talks With British, German Ministers

OW0707022793 Tokyo KYODO in English 0217 GMT 7 Jul 93

[Text] Tokyo, July 7 KYODO—Japanese Foreign Minister Kabun Muto on Wednesday [7 July] postponed separate bilateral talks with his British and German counterparts because of slow progress in trade talks among Japan, the United States, Canada and the European Community, Japanese officials said.

Muto had been scheduled to meet British Foreign Secretary Douglas Hurd at 10:40 A.M. Wednesday. No time was fixed for a rearranged meeting.

Muto's meeting with German Foreign Minister Klaus Kinkel, originally slated to start at 9:15 a.m., was rescheduled for 12:30 p.m.

The top trade negotiators from the U.S., Canada, the EC and Japan on Wednesday resumed discussions in a last-ditch effort to work out a market access package.

The talks had been suspended in the early hours of Wednesday after a six-hour session that began at 9 P.M. Tuesday. Officials said the stumbling block was over reducing or scrapping tariffs.

Position Paper on Permanent UNSC Seat Cited

OW0607014893 Tokyo KYODO in English 0050 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Japan is prepared to become a permanent member of an expanded United Nations Security Council (UNSC), Foreign Minister Kabun Muto indicated Tuesday [6 July].

Muto spoke to reporters after briefing the cabinet on Japan's position on reorganizing the Security Council. The position will be conveyed to the UN soon in line with a resolution adopted by the General Assembly last December.

"Japan is prepared to do all it can to discharge its responsibilities in the Security Council," Muto quoted a position paper as saying. The paper was unofficially translated from Japanese.

The UN resolution had asked Secretary General Butrus Butrus-Ghali to invite members to submit their comments on the issue of expansion and balance of the 15-member Security Council by June 30.

While Japan's delayed report fell short of an explicit declaration of candidacy for a permanent seat, its intentions were made clear elsewhere in the document.

"The Security Council's seats should be expanded to around 20 at most," the paper said, adding that selection of additional permanent members should take into consideration "whether or not they exert influence globally in political, economic, and other fields." The paper cautioned, however, that the council should only be expanded to the extent that its effectiveness is undiminished.

Council members must "have the will and adequate capacity to contribute to world peace and stability," it said. Britain, China, France, Russia, and the United States—the five major victorious powers of World War II—have permanent seats with veto power on the Security Council.

Japan is currently one of the council's 10 nonpermanent members. Nonpermanent seats rotate among UN members for two-year terms and are selected on a regional basis.

The U.S. said last month that Japan and Germany should be made permanent council members, while the five current permanent members should all retain their seats and powers, including the power to veto resolutions.

Britain and France have long resisted any council reform that would dilute their power.

Britain has stressed that the council must remain able to respond rapidly and effectively to any crisis, while insisting that present arrangements allow for equitable representation of states from all regions working with the permanent members.

France has indicated its readiness to consider expanding the council to reflect changes in the world power structure and the rising number of UN members. It has cited economic weight and willingness to take part in peacekeeping operations as criteria for admitting new members.

Germany has stated that it is "prepared to assume responsibilities" of permanent membership in the council.

Regional heavyweights like India, Brazil, and Nigeria are also often named as likely candidates, raising the possibility of counterclaims by such other regional powers as Pakistan, Argentina, and Egypt.

Many developing countries have complained of domination of the council by wealthy industrial nations, which they say detracts from its credibility.

The Japanese position paper said Tokyo would exercise its responsibilities in the Security Council within the constraints of its war-renouncing Constitution. Japan and Germany, the losers of World War II, have constitutional restrictions on their military role abroad, though both have recently offered troops for noncombat roles in UN peacemaking operations.

The paper said Japan hopes to see UN discussion of security council recomposition reach a conclusion by 1995 to coincide with the 50th anniversary of the world body's founding.

The council consisted of 11 members, including the permanent five, when the UN was founded by 51 countries in 1945. UNSC membership was expanded to 15 in 1965 at a time when total UN membership remained below 120. The world body now has 183 members.

Minister Calls for Clear Stance on UNSC Seat

OW0607035293 Tokyo KYODO in English 0332 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—A cabinet minister called Tuesday [6 July] for Japan to clarify to the outside world that Tokyo cannot provide military forces to the UN despite its wish for permanent membership of an expanded UN Security Council (UNSC), the top government spokesman said.

Posts and Telecommunications Minister Junichiro Koizumi made the call at a regular cabinet meeting earlier in the day, Chief Cabinet Secretary Yohei Kono told a news conference.

Koizumi, touching on Foreign Minister Kabun Muto's indication that Japan is prepared to become a permanent member of an expanded UNSC, said he wondered if a sentence Muto quoted from Japan's position paper on the issue was understandable to the rest of the world.

The sentence said, "Japan is prepared to do all it can to discharge its responsibilities in the Security Council."

"Domestically, it is understandable that we will do all we can within the framework of the Constitution, but I wonder if foreigners can understand it," he was quoted as saying. "I think we should make clear that Japan cannot use military force."

He implied that Japan's war-renouncing Constitution allows the country only to participate in nonmilitary UN peacekeeping activities. The post-World War II pacifist Constitution bans the use of force to resolve international disputes.

Tokyo will relay its position on a reorganized UN Security Council to the world body soon, in response to a resolution adopted by the General Assembly last December.

Koizumi and other cabinet ministers did not oppose the government's submission of the document to the UN, Kono said.

The UN resolution had asked Secretary General Butrus Butrus-Ghali to invite members to submit their comments on the issue of expansion and balance of the 15-member Security Council by June 30.

Japan's delayed report makes clear its wish to be considered for a permanent seat, without saying so explicitly.

The five present holders of permanent seats, who have veto power over council decisions, are World War II victors Britain, China, France, Russia and the United States.

Japan is currently one of the council's 10 nonpermanent members. Nonpermanent members are elected on a regional basis for two-year terms.

The U.S. said last month that Japan and Germany should be made permanent council members, while the five current permanent members should all retain their seats and power of veto.

Suharto Said To Back Khmer Rouge Role

OW0607062093 Tokyo KYODO in English 0556 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Indonesian President Suharto on Tuesday [6 July] called for including the Khmer Rouge in Cambodia's new coalition government, Japanese officials said.

Suharto told former Foreign Minister Michio Watanabe that despite widespread hatred for the guerrilla group it must be involved. He noted that the faction has expressed a desire to be part of the new leadership.

Suharto met Watanabe in a Tokyo hotel for about one hour. During the talks, Watanabe praised Indonesian efforts in helping to bring stability to Cambodia.

The Khmer Rouge boycotted the UN-organized general election from May 23 to 28. But its leader Khieu Samphan said in a recent letter to Cambodian head of state Prince Norodom Sihanouk that the faction would not oppose the interim government.

Suharto is visiting Tokyo as the chairman of the 108-nation Non-aligned Movement (NAM) ahead of the summit meeting of the Group of Seven (G-7) leading industrial nations beginning Wednesday.

Suharto, who met Prime Minister Kiichi Miyazawa on Monday, was to hold talks with U.S. President Bill Clinton Wednesday morning before leaving for home.

Mieno Forecasts 'Mixed' Economic Performance

OW0507033293 Tokyo KYODO in English 0309 GMT 5 Jul 93

[Text] Tokyo, July 5 KYODO—Bank of Japan Governor Yasushi Mieno forecast Monday [5 July] that Japan's economic performance in the coming months will be "mixed."

Mieno made the cautious prediction as the heads of the central bank's 33 domestic branches and three overseas offices opened a two-day meeting to discuss the state of the economy and the bank's monetary policy.

Noting that both capital investment and consumer spending in Japan still remain sluggish, Mieno said the yen's rapid appreciation against other major foreign currencies in recent months makes Japan's economic prospects even more uncertain.

Mieno predicted, however, Japan is likely to start a gradual economic recovery in fiscal 1993's second half, the October-March period, with inventory levels steadily decreasing, and fiscal and monetary measures bolstering the economy.

Mieno made no specific comments on the central bank's monetary policy, indicating it will carefully watch economic trends for the time being before making any policy changes.

Opposition Parties Call for End to LDP Rule

OW0407070693 Tokyo KYODO in English 0641 GMT 4 Jul 93

[Text] Tokyo, July 4 KYODO—Leaders of eight opposition parties took to the streets Sunday [4 July] to ask voters to use the July 18 general election to end 38 years of dominance by the ruling Liberal Democratic Party (LDP).

On the first day of official campaigning, Sadao Yamahana, leader of the largest opposition Social Democratic Party of Japan (SDPJ), said the election is being held to "stop corruption-ridden LDP politics and establish a new government to realize political reform."

Speaking before some 500 people in front of Hakodate Station on the Japan's northernmost main island Hokkaido, Yamahana urged voters to cast no-confidence votes against the LDP in order to allow the opposition to form a new coalition government in which his party would be "the principle axis."

Yamahana opened his election campaign in the constituency, which is also being contested by LDP Executive Council chief Koko Sato.

Sato, who was convicted in the 1976 Lockheed payoff scandal, reportedly played a key role in scrapping political reform in the last Diet session.

Komeito Chairman Koshiro Ishida said the election will be "a historical turning point" in which a new politics could be created by defeating the LDP.

Appealing to an audience of some 1,000 in a residential area of the Nerima ward in Tokyo, Ishida said a change in government is necessary to sever "cozy relations" between government and businesses.

North Korea

KCNA Reports 5 Jul U.S. 'Aerial War Exercise'

SK0707050093 Pyongyang KCNA in English 0428 GMT 7 Jul 93

[Text] Pyongyang, July 7 (KCNA)—The U.S. imperialists let fly formations of nuclear-capable F-16 fighter-bombers and pursuit-assault planes in the sky above Yongwol, Umsong and Yoju of South Korea on July 5 for a surprise strike exercise against the North after creating an electronic jamming, according to military sources.

On the same day, formations of Guam-based KC-135 refuelling planes which were flown in the sky above South Korea refuelled scores of fighter-bombers involved in an aerial war exercise.

This is an undisguised challenge to the unanimous desire of the Korean people and the world peace-loving people who want peace of Korea and its peaceful reunification.

Paper Criticizes ROK's Stance on Unions

SK0707052293 Pyongyang KCNA in English 0453 GMT 7 Jul 93

["Crackdown on Labor Movement Leads to Self-Destruction"—KCNA headline]

[Text] Pyongyang, July 7 (KCNA)—The chief executive of South Korea recently blared that strike at worksite would "not be allowed" and that he would make "an important decision" in case the labor-management dispute was protracted.

The "supreme public prosecutor's office" is viciously working to remove the chairman of the "National Federation of Trade Unions" [Chonnoryon] and the hardcore unionists of the Hyundai business group [Hyunchongnyon], crying over "intervention of a third party" and "revolutionary socialist organisation."

NODONG SINMUN today brands this as an unpardonable criminal act aimed at a wholesale crackdown on the labor movement.

The news analyst says:

The demand of the South Korean workers in struggle including the unionists of the Hyundai business group is the minimum one they raised for existence, driven to the dead end. Refusal of this demand and crackdown on them are as good as deliberately imposing death on them.

The attempt to suppress the workers' struggle for elementary vital rights under the pretext of "intervention of a third party" and "manipulation of a revolutionary organisation" is just like the habitual method of the "sixth republic."

For the present "government" of South Korea to carry forward the fascist dictatorial rule of the "sixth republic" behind the facade of "civilian politics" and "reform" is a crime and a mockery of the people.

The South Korean authorities must look squarely at the will of the workers to continue their struggle till their demand has been met and must immediately stop the suppression of the labor movement.

If the present "government" of South Korea under the veil of "civilian politics" continues siding with the employers and suppressing the labor movement as the "sixth republic" did, it will invite greater resistance of the masses and precipitate its own destruction.

Dailies View Recent Comments by ROK Leaders

SK0307050993 Pyongyang KCNA in English 0438 GMT 3 Jul 93

["Shameful Behavior of Flunkeyist Traitors"—KCNA headline]

[Text] Pyongyang, July 3 (KCNA)—Papers here today comment on the recent anti-national words and deeds of the South Korean chief executive, "prime minister," "foreign minister" and "defence minister" following the lead of outside forces over the "nuclear problem of the North" which presents no problem.

A news analyst of NODONG SINMUN says:

The "nuclear problem of the North" over which the South Korean authorities are raising a hysteric hue and cry is, to all intents and purposes, a fiction invented by the reactionaries of the world in an attempt to isolate and stifle the DPRK, the bulwark of socialism.

It is intolerable that the South Korean authorities entreat outside forces to put "pressure" upon and take "sanctions" against fellow countrymen.

If the South Korean authorities were truly concerned about the nation and had the least intention to solve the problem of peace and peaceful reunification of the country jointly with fellow countrymen from a position of national independence, they should have responded to our proposal to resolve the pending issues between the North and South including the denuclearization of the Korean peninsula between fellow countrymen.

The South Korean rulers, however, are noisily crying for "international joint sanctions" for the solution of the "nuclear problem of the North." By doing so, they have made it plain that they have neither the intention to resolve the nuclear problem nor the will for peaceful reunification and that they only seek treacherous confrontation with fellow countrymen, following outside forces.

If they really want peace and peaceful reunification of the country, they must discard the outdated mode of thinking of dependence on outside forces and switch over to the position of national independence.

We will watch their future attitude.

A news analyst of MINJU CHOSON brands the South Korean authorities' scheme to inveigle outside forces into their "nuclear" racket with outcries for "international pressure" and "sanctions" against the North as a treacherous act to do harm to fellow countrymen with the help of others.

Papers, Meetings Mark International Solidarity

Paper Notes Unity With Cuba

SK0607052993 Pyongyang KCNA in English 0453 GMT 6 Jul 93

["Friendship and Unity Between Korea and Cuba Is Unbreakable"—KCNA headline]

[Text] Pyongyang, July 6 (KCNA)—NODONG SINMUN today in an article upon the opening of the month of solidarity with the Cuban people declares that the Korean people extend militant greetings and firm solidarity to the fraternal Cuban people who are advancing under the banner of socialism.

Recalling that the peoples of Korea and Cuba have long since struggled hand in hand for the common cause, the author of the article says:

The friendship and unity between Korea and Cuba is solid one based on class solidarity and comradely trust and an unbreakable one based on the deep intimacy between the heads of state of the two countries.

To further consolidate and develop the relations of friendship and cooperation between the two countries accords with their wishes and interests and also contributes to the common cause of anti-imperialist independence and socialism.

The Cuban people are now honorably defending the country's sovereignty and national dignity, overcoming all trials and difficulties.

They are accelerating socialist construction, displaying the revolutionary spirit of self-reliance and hard struggle in compliance with the demand of the "special period in peace time".

Elections of the deputies to the National Assembly of People's Power and the deputies to the provincial assemblies of people's power were held successfully in February this year.

This shows that the Cuban people are firmly united around the Communist Party of Cuba headed by Comrade Fidel Castro Ruz.

The Workers' Party and the people of Korea will in the future, too, do their utmost to further strengthen and develop the friendly relations with the Cuban people.

Unbreakable is the fraternal friendship and unity between the parties, the governments and the peoples of Korea and Cuba in achieving the common cause and ideal.

Cuba, Peru Host Solidarity Functions

SK0607105893 Pyongyang KCNA in English 1015 GMT 6 Jul 93

[Text] Pyongyang, July 6 (KCNA)—Functions took place in Cuba and Peru in the current month of international solidarity with the Korean people.

A meeting commemorating the 40th anniversary of the victory of the Korean people in the great Fatherland Liberation War was held in Bejucal district, Havana, on June 29 under the cosponsorship of the Cuban Institute of Friendship With the Peoples and the Cuban Committee for Supporting Korean Reunification.

Speaking at the meeting, the director of the Sugar Industrial and Agricultural Complex said the Cuban people extended unquestioned support to the Korean people in their struggle for the independent and peaceful reunification of the country this year marking the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War and the 40th anniversary of the attack on the Moncada barracks. He expressed the belief that the aspiration and proposals of the Workers' Party of Korea and the DPRK Government for realising this national desire will surely be materialized.

Earlier, on June 25, a meeting was held in Lima under the cosponsorship of the Peru-Korea Institute of Culture and Friendship, the Peruvian Committee for Supporting the Independent and Peaceful Reunification of Korea and the United Left of Peru upon the beginning of the month of international solidarity with the Korean people and on the 40th anniversary of their victory in the war.

The meeting was attended by the chairman of the United Left, the general secretary of the Revolutionary Socialist Party, the general secretary of the Socialist Party, the international secretary of the Communist Party (Red Motherland) and other officials of different parties of Peru, members of the sponsor organization and people of various social strata.

The general secretary of the Left Revolutionary Union of Peru [LRUP] said that the Korean people could defend freedom and independence of the country and open a new era in the anti-imperialist struggle for national liberation in the three-year war because they had the immortal chuche idea and enjoyed the outstanding leadership of Comrade Kim Il-song, an iron-willed brilliant commander.

The chairman of the LRUP said that the Korean people had defended the freedom and independence of the country and made an undying contribution to the human cause of independence against imperialism.

"We fully support the three principles of national reunification, the proposal for founding the Democratic Confederal Republic of Koryo and the 10-point programme of the great unity of the whole nation advanced by President Kim Il-song," he added.

A letter to the great leader President Kim Il-song was adopted at the meeting.

Meanwhile, a meeting was held in Tanzania, a peace ceremony in Guyana, a solidarity meeting in Zambia and Korean photo and book exhibitions and film shows in Pakistan, Mongolia, Ghana, Egypt, Zimbabwe, Nigeria, Laos, Guinea and Mozambique.

Cuban Official Lauds Korean Socialism

SK0407081893 Pyongyang KCNA in English 0804 GMT 4 Jul 93

[Text] Pyongyang, July 4 (KCNA)—We could see at first hand the achievements made by the great Korean people and deeply realize the superiority of Korean socialism, said Victor Manuel Gonzales, coordinator general of the Ideology Department of the C.C. [Central Committee], Communist Party of Cuba, who attended the fourth conference of the ministers of information of non-aligned countries held here some time ago.

He said that visiting monumental edifices in different places of Pyongyang he could see the Korean people building socialism centred on the popular masses.

Under the wise guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, the Korean people are now successfully building socialism with the might of the singlehearted unity of the leader, the party and the masses, upholding the banner of the chuche idea, he stressed.

He said the Cuban people, together with the heroic Korean people, would actively struggle against imperialist aggression and war and for peace and democracy and the cause of socialism, and further strengthen the bonds of friendship and solidarity.

Expressing firm solidarity with the Korean people in the struggle for the peaceful reunification of the country, he emphasized Korea is sure to be reunified.

Meeting Celebrates Solidarity With Cuba

SK0707080593 Pyongyang KCNA in English 0436 GMT 7 Jul 93

[Text] Pyongyang, July 7 (KCNA)—A month of solidarity with the Cuban people was opened at a meeting here Tuesday on the occasion of the 40th anniversary of the July 26 armed uprising of the Cuban people.

Speaking at the meeting, Kim Chin-pom, vice-chairman of the Korea-Cuba solidarity committee, said that the Cuban revolution which was pioneered and led by Comrade Fidel Castro Ruz, the supreme leader of the Cuban revolution led to the birth of the first socialist state in the Western hemisphere and turned Cuba into an "island of freedom" where the centuries-old desire and ideal of the people are blooming in reality. He noted that the looks of Cuba have fundamentally changed after the victory of the revolution.

He expressed firm solidarity with the Cuban people in their just cause of firmly defending the gains of socialism and the cause of socialism, getting the U.S. forces withdrawn from Guantanamo and consolidating peace in Central America and Caribbean Region, frustrating the anti-socialist moves and anti-Cuba offensive of the imperialists.

"Our people hold dear the particular intimacy and the relations of revolutionary obligation established between the great leader Comrade Kim Il-song and respected Comrade Fidel Castro Ruz," he stated and went on:

"The dear leader Comrade Kim Chong-il has always paid deep attention to further strengthening and developing the friendship and solidarity between the two peoples firmly united by revolutionary obligation and faith in socialism.

"Our people will in the future, too, advance in close unity with the fraternal Cuban people under the uplifted banner of socialism and make all efforts to develop the friendly and cooperative relations between the two countries."

Cuban ambassador to Korea Juan Jose Leon Vega in his speech said:

"Cuba and Korea have assumed the duty of defending the idea of socialism in a difficult period. The two peoples who have great parties, great peoples, the great leader Comrade Kim Il-song and the supreme commander Comrade Fidel Castro Ruz, will certainly win victory".

"Cuba", he declared, "has always supported and will support the Korean people's just cause of achieving the independent and peaceful Reunification of the country."

Saying that "10-point programme of the great unity of the whole nation for the Reunification of the country" which was worked out by Comrade Kim Il-song was a basis for realising the desire of the entire Korean people, he expressed full support to it.

"The South Korean authorities should take a prudent and responsible attitude to give no more sufferings of division to the nation," he said.

He expressed the firm conviction that the Korean people would achieve before long the reunification of the country, the ardent desire of the nation, under the guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Malaysian Parliamentary Delegation Arrives 5 Jul

SK0507232093 Pyongyang KCNA in English 1511 GMT 5 Jul 93

[Text] Pyongyang, July 5 (KCNA)—A Malaysian parliamentary delegation headed by Ong Tee Keat, vice-president of the House of Representatives, arrived in Pyongyang today.

It was met at the airport by Yo Yon-Ku, vice-chairperson of the Supreme People's Assembly, and officials concerned.

The Supreme People's Assembly arranged a party for the delegation in the evening.

President Kim Il-song Greets Yugoslav President

SK0307224593 Pyongyang KCNA in English 1504 GMT 3 Jul 93

[Text] Pyongyang, July 3 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Zoran Lilic upon his election as president of the Federal Republic of Yugoslavia.

In the message President Kim Il-song wished him success in his responsible work for stability and prosperity of the country and for promotion of the wellbeing of the people.

Kim Il-song Greets President of Cape Verde

SK0407085293 Pyongyang KCNA in English 0826 GMT 4 Jul 93

[Text] Pyongyang, July 4 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings on July 3 to Antonio Manuel Mascarenhas Gomes Monteiro, president of the Republic of Cape Verde, on the 18th anniversary of the proclamation of the independence of Cape Verde and the republic.

The message expressed the belief that the friendly relations between the two countries would continue to develop favorably and wished the president and people of Cape Verde greater success in the work for national unity and prosperity.

Daily Marks Cape Verde Independence Day

SK0607110093 Pyongyang KCNA in English 1038 GMT 6 Jul 93

["Day of Independence of Cape Verde Observed"—KCNA headline]

[Text] Pyongyang, July 6 (KCNA)—MINJU CHOSON today dedicates an article to the 18th anniversary of the independence of Cape Verde.

The author of the article says: The achievement of the independence by the people of Cape Verde was a historical event which opened a wide road of building a new life to the people who had been oppressed under the colonial rule of the imperialists for a long time.

The people of Cape Verde have striven to consolidate the political independence and achieve independent development of the country.

The Korean people sincerely rejoice at and hail the achievements of the people of Cape Verde in the work to build a new life.

The peoples of Korea and Cape Verde have friendly bonds.

Travels and contacts are becoming frequent and exchange and cooperation brisk between the two peoples.

The Korean people will make every effort to strengthen and develop the friendly relations with the people of Cape Verde in conformity with the will and hope of the two peoples.

Kim Il-song Greets Venezuelan President

SK0407085493 Pyongyang KCNA in English 0827 GMT 4 Jul 93

[Text] Pyongyang, July 4 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings July 2 to Venezuelan President Ramon Jose Velasquez on the independence day of Venezuela.

The message wished the president and people of Venezuela great success in the work for national stability and prosperity and expressed the belief that the friendly relations between Korea and Venezuela would continue to develop.

Paper Views Friendly Ties

SK0607110593 Pyongyang KCNA in English 1041 GMT 6 Jul 93

["MINJU CHOSON Observes Venezuelan Independence Day"—KCNA headline]

[Text] Pyongyang, July 6 (KCNA)—MINJU CHOSON today dedicates an article to the independence day of Venezuela.

Noting that the Venezuelan people, after the independence of the country, have striven to defend sovereignty and build a new life, surmounting repeated difficulties and obstacles, the author of the article says:

The Government of Venezuela, following the non-aligned foreign policy, is opposing imperialism and colonialism and developing friendly relations with the peoples of the progressive countries.

Korea and Venezuela, far away as they are from each other, have established ties of friendship for the commonness of their past lot and the present struggle to build a new society.

The Korean people will in the future, too, make efforts to strengthen and develop the friendly and cooperative relations with the Venezuelan people in accordance with the idea of independence, peace and friendship.

Our people wish them greater success in their endeavours for the independent development and prosperity of the country.

Kim Il-song Greets President of Malawi

SK0507111393 Pyongyang KCNA in English 1018 GMT 5 Jul 93

[Text] Pyongyang, July 5 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings today to H. Kamuzu Banda, president of the Republic of Malawi, on the 29th anniversary of the independence of Malawi and the 27th anniversary of the proclamation of the republic.

President Kim Il-song in the message wished the president and people of Malawi success in their work for the stability and prosperity of the country and expressed the belief that the friendly relations between the two countries will continue to develop.

Greets President of Comoros

SK0507111693 Pyongyang KCNA in English 1020 GMT 5 Jul 93

[Text] Pyongyang, July 5 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings today to Said Mohamed Djohar, president of the Federal Islamic Republic of Comoros, on the occasion of its national holiday.

President Kim Il-song in the message expressed the belief that the friendly relations between the two countries would develop on good terms and wished the president and people of Comoros success in their work for the stability and prosperity of the country.

Greets New Premier of Belize

SK0707053593 Pyongyang KCNA in English 0454 GMT 7 Jul 93

[Text] Pyongyang, July 7 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Tuesday sent a message of greetings to Manuel Esquivel upon the victory of the United Democratic Party of Belize in the general elections and his assumption of office as prime minister.

President Kim Il-song expressed the belief that the friendly relations between the two countries would continue to develop favorably and wished him great success in his responsible work for the prosperity of the country.

Foreign Leaders Support Reunification Plan

SK0607111693 Pyongyang KCNA in English 1028 GMT 6 Jul 93

[Text] Pyongyang, July 6 (KCNA)—Foreign party and state leaders warmly supported the 10-point programme of the great unity of the whole nation for the reunification of Korea.

Equatorial Guinean President Obiang Nguema Mbasogo hailed the success at the DPRK-U.S. talks and hoped for a greater success in the future when he received the DPRK ambassador on July 1.

Noting that the 10-point programme of the great unity of the whole nation for the reunification of the country put forward by the great leader President Kim Il-song is a realistic proposal for reunification acceptable to all, he stressed that the reunification of Korea must be realised in accordance with the proposal put forward by him.

Feliciano Salomao Gundana, secretary general of the Central Committee of the Mozambique Liberation Front Party, when he received the DPRK ambassador on July 2, said that Korea must be reunified according to the proposal for founding the Democratic Confederal Republic of Koryo and the 10-point programme of the great unity of the whole nation for the reunification of the country which were advanced by respected Comrade President Kim Il-song.

Emile Kibala Bey A Nsien, national chairman of the Workers' Party of Zaire, in a statement on June 26 on the month of international solidarity with the Korean people actively supported the "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by the great leader President Kim Il-song.

He stressed that the South Korean authorities must take a sincere attitude toward the North-South dialogue to realize the peaceful reunification of Korea.

Daily Praises Unity in Anti-Imperialist Struggle

SK0307105493 Pyongyang KCNA in English 1030 GMT 3 Jul 93

["People's Cause of Independence Cannot Be Checked"—KCNA headline]

[Text] Pyongyang, July 3 (KCNA)—Though old forces are getting more undisguised in their attempts to stifle the human cause of independence, this cause of the non-aligned and other developing countries cannot be checked, declares NODONG SINMUN today.

The author of an article says:

The dominationist forces regard the use of military force and appeasement as a basic method in opposing the anti-imperialist, independent forces.

The present situation shows that without a struggle against the imperialist moves of domination and plunder, aggression and intervention, the building of an independent, new society in the non-aligned and other developing countries is unthinkable.

Firm unity of all the anti-imperialist, independent forces is important in frustrating the moves of the dominationist forces and successfully building an independent, new world.

The non-aligned and other developing countries should actively promote South-South cooperation and oppose the imperialists' neo-colonialist exploitation and plunder.

Then, they will be able to overcome the present economic difficulties and achieve rapid development.

With nothing can the dominationists check the onward movement of the people toward independence.

Daily: Masses Provide Force in Socialist Society

SK0307104893 Pyongyang KCNA in English 1004 GMT 3 Jul 93

["Popular Masses Are Motive Force of Development of Socialist Society"—KCNA headline]

[Text] Pyongyang, July 3 (KCNA)—The popular masses are the motive force of the development of socialist society. This is an important question related to the destiny of socialism, declares NODONG SINMUN in a by-lined article today.

The article says:

The cause of socialism is a revolutionary cause which is carried on by the popular masses who have emerged an independent driving force for the first time in human history.

The masses are the masters of the revolution and construction and the main-motive force of social development.

The popular masses become the motive force of the development of socialist society firstly because they are the masters of this society.

It is socialist society where the people's desire for an independent and creative life has been realised.

The essence of socialist society and the motive force of the development of this society lie in that the popular masses work in ideological and moral unity with a high degree of consciousness of being masters and inexhaustible creativity.

Another reason why the masses become the motive force of the development of socialist society is that they ensure a successful transformation of nature, society and man.

Without enhancing the consciousness and creative ability of the masses who play a positive and active role in the development of socialist society, it is impossible to improve the socialist method of economic management and develop science and technology.

Therefore, the clever strategem of building socialism is to strengthen the motive force of socialism.

Another reason is that the driving force of socialism makes it possible to frustrate the challenge of imperialists and reactionaries and defend and exalt the cause of socialism.

As the motive force of the revolution was strong, the Korean people have been able to promote the socialist cause of chuche victoriously, frustrating the challenge of the imperialists and reactionaries.

The triumphant advance of Korean-style socialism is based on the powerful driving force of socialism, the integrated whole of the leader, the party and the masses.

Problems in Socialist Economic Management Viewed

SK0707105293 Pyongyang KCNA in English 1032 GMT 7 Jul 93

["Political Leadership and Centralistic Planned Guidance of Economy Are Main Duty of Party and State"—KCNA headline]

[Text] Pyongyang, July 7 (KCNA)—How the political leadership and centralistic planned guidance of the socialist economy are given is one of the fundamental problems arising in the socialist economic management and the success of the building of socialist economy and the destiny of the socialist system depends on how this problem is solved, declares NODONG SINMUN in an article today.

The author of the article says:

They are the main duty of the party and the state, first of all, because the party and the state assume full responsibility for the life of the masses of the working people.

In the socialist society the party and the state look after the material and cultural life of the people with full responsibility.

If the party and the state are to satisfactorily discharge such mission and duty they must improve the guidance and management of the economy so as to increase the people's living standard on the basis of the constant high-rate growth of production.

Another reason is that it is an important guarantee for the full display of the essential advantages of the socialist economy.

The party's leadership and the centralistic planned guidance of the state are the fundamental source of the superiority and the vitality of the socialist economy.

The socialist economy finds its superiority in giving full scope to the inexhaustible creativity of the masses who are the master of the economy.

Another reason is that it is the principled requisite to decisively refuting all the abuses of the imperialists and reactionaries and safeguarding the socialist planned economy.

Under the situation where the imperialists and the reactionaries are manoeuvring to reduce the socialist planned economy to a capitalist market economy we must further enhance the political leadership of the party and the unified guidance of the state.

The socialist planned economy can be defended and its advantages be brought into full play only when the centralistic planned guidance of the state is strengthened under the leadership of the party.

Army Colonel Stresses Loyalty to Party

SK0607112093 Pyongyang KCNA in English 1035 GMT 6 Jul 93

["NODONG SINMUN on Slogan of Faith and Will of Our Revolutionary Armed Forces"—KCNA headline]

[Text] Pyongyang, July 6 (KCNA)—"When the party determines, we do everything" is the slogan of faith and will reflecting the spirit of revolutionary armymen of our people's army which unconditionally carries through the resolutions and orders of the party without delay to the end, intensely loyal to the party, says colonel of the Korean People's Army Kang Chol-u in an article contributed to NODONG SINMUN today.

He continues:

It is a revolutionary slogan based on the tradition of loyalty of our revolutionary Armed Forces which have defended the party and the leader and carried through the idea and intention of the party to the letter.

The slogan means a proud inheritance of the traditional loyalty of our revolutionary Armed Forces which have fought regarding it as the supreme mission to defend the party and the leader politically and ideologically with their lives and of the spirit of the revolutionary armymen who take the ideas, intention and determination of the leader as their only faith and have laid down their lives without hesitation to carry them through on the principle of absoluteness and unconditionality.

It is a revolutionary slogan reflecting the firm faith and the pledge of our soldiers of the People's Army to share their destiny with the great leader to the end and take the road of loyalty following the party.

The slogan mirrors the great pride of the officers and men of the People's Army in holding the dear leader Comrade Kim Chong-il, the most outstanding leader of our times and the military genius, at the supreme head of the revolutionary Armed Forces, the confidence and optimism that they are sure to win as guided by the brilliant commander and their firm determination and revolutionary zeal to add lustre to the honor of being soldiers of the supreme commander even at the cost of their lives.

The revolutionary slogan "When the party determines, we do everything" has been upheld by our People's Army, united around dear Comrade Kim Chong-il as firm as an iron-wall, holding him in high esteem as the supreme commander.

The Korean People's Army has thoroughly established the revolutionary spirit of unconditionally carrying through the orders of the respected supreme commander to the end and our revolutionary Armed Forces have grown up to be steel-like ranks with invincible military power.

It is a great slogan which our people and the people's army should uphold forever not only at present but also in the future.

KCNA Reviews 3 Jul Pyongyang Press

SK0307052193 Pyongyang KCNA in English 0447 GMT 3 Jul 93

[Press review]

[Text] Pyongyang, July 3 (KCNA)—Papers here today carry news of the dissemination and study of classical works of the great leader President Kim Il-song in foreign countries.

NODONG SINMUN carries words of South Korean people highly praising President Kim Il-song.

President Kim Il-song received letters from the participants in the inaugural meeting of the group for the study of the chuche idea of the Los Andes De Huancayo University of Peru and the inaugural meeting of the Iquitos Society for the Study of the Chuche Idea in Peru, says the paper.

The paper informs the readers that the Nicaraguan paper EL NUEVO DIARIO introduced the reminiscences of President Kim Il-song "With the Century".

Immortal classical works of the dear leader Comrade Kim Chong-il have been published in booklets and disseminated and studied in different countries, says the press.

An article of NODONG SINMUN says that Comrade Kim Chong-il refurbished Tonggun pavilion in Uiju County, North Pyongan Province, as a place for the education of Korean working people and youth and children and a recreation site of culture for the people.

"Popular masses are motive force of development of socialist society" is the headline of an article of the paper.

Remaining in the limelight of the press are reports about innovations in production and construction effected by working people of various fields of the national economy to greet the 40th anniversary of the victory in the Fatherland Liberation War with brilliant achievements.

A delegation of the Workers' Party of Korea met leaders of Mexican political parties, says NODONG SINMUN.

The paper conveys voices of South Korean people supporting the North's proposal of reunification by means of confederation.

Appearing in the paper are gists of a statement of the chairman of the Association of Koreans in Japan for Peaceful Reunification denouncing the bellicose acts of the South Korean authorities and news that a religionists association for national reconciliation and reunification was inaugurated in Seoul.

Commentaries of the press hit at the South Korean authorities for entreating foreign forces to put "pressure" upon and take "sanctions" against the DPRK.

NODONG SINMUN comes out with a commentary trouncing an agreement between Japan and the South Korean authorities to jointly counter "development of nuclear weapons and missiles" by the DPRK.

The paper deals with the struggle of South Korean students and people for the repeal of the notorious "National Security Law".

Papers give accounts of functions held in foreign countries in the month of international solidarity with the Korean people.

NODONG SINMUN writes about the struggle of the non-aligned and other developing countries to smash the manoeuvres of dominationist forces.

Papers say that poverty and environmental protection are standing out as an acute social and economic problem worldwide and a complex situation has been created in Russia surrounding the constituent assembly.

Reviews 5 Jul NODONG SINMUN

SK0507052393 Pyongyang KCNA in English 0508 GMT 5 Jul 93

[Text] Pyongyang, July 5 (KCNA)—NODONG SINMUN today gives a front-page prominence to the messages of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea respectively to President Ramon Jose Velasquez of the Republic of Venezuela and to President Antonio Manuel Mascarenhas Gomes Monteiro of the Republic of Cape Verde on the days of independence.

"Nonaligned information services must contribute to the people's cause of independence", speech of the great leader President Kim Il-song, was reported by foreign mass media, says the paper.

It informs the readers that the study of "with the century", reminiscences of President Kim Il-song is brisk at organizations under the General Association of Korean Residents in Japan (Chongnyon).

The paper reports that the dear leader Comrade Kim Chong-il sent valuable plants to the central botanical garden and foreign public figures highly praised him as the symbol of the victory of socialism.

Appearing in the paper is a message of greetings to the Central Committee of the Workers' Party of Korea from the national chairman of the Communist Party of the United States of America on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

An article of the paper says that during the anti-Japanese armed struggle, political workers creditably discharged their revolutionary duties under any circumstances and conditions.

Econews of the paper includes reports that working people in various domains of the national economy including the building materials and machine-building industries and agriculture are bringing about great innovations in production to greet the 40th anniversary of the victory in the war with brilliant achievements in labour.

The Equatorial Guinean president met with the DPRK ambassador, according to the paper. Given in the paper are reports that a South Korean opposition party demanded the formation of a pan-national committee for investigation into the December 12 incident and South Korean people and overseas compatriots called for resignation of the major clan of "Yusin".

The paper runs an article stressing that the 10-point programme of the great unity of the whole nation is an inspiring banner to achieve reunification by the efforts of the nation itself.

Functions were held in different countries on the month of international solidarity with the Korean people and on the occasion of the 40th anniversary of the victory of the Korean people in the war, according to the paper.

It is reported in the paper that Comrade Fidel Castro laid stress on giving priority to the fulfilment of the "food plan", the Serbian president stated that his country would not submit to any outside pressure, the Nepalese king referred to the internal and external policy of his country and a new provisional coalition government was inaugurated in Cambodia.

The paper introduces Algeria, Cape Verde and Venezuela.

An article of the paper says that at the world conference on human rights held in Vienna, developing countries denounced the unwarrantable "preach of the imperialists for human rights" and "defence of human rights".

Reviews 6 Jul Pyongyang Press

SK0607052193 Pyongyang KCNA in English 0442 GMT 6 Jul 93

[Press review]

[Text] Pyongyang, July 6 (KCNA)—Papers here today carry messages of greetings President Kim Il-song of the Democratic People's Republic of Korea sent to President Said Mohamed Djohar and President H. Kamuzu Banda respectively on the occasion of the national holiday of the Federal Islamic Republic of Comoros and on the 29th anniversary of the independence of Malawi and the 27th anniversary of the proclamation of the republic.

NODONG SINMUN informs the readers that reminiscences of the great leader President Kim Il-song "with the century" was reported in different countries.

Given in the press is an account of a meeting held to mark the 35th anniversary of the establishment of the system of one propagandist for five families by President Kim Il-song.

An article of NODONG SINMUN deals with the story that the dear leader Comrade Kim Chong-il has converted Sinsongchon railway station into an important station of the country.

Carried in the paper is "brilliant morning", a poem written by Alberto Nguema Ondo, section chief of the Ministry of Culture, Tourism, and Handiwork Promotion of Equatorial Guinea, in praise of Comrade Kim Chong-il.

"The slogan 'when the party is determined, we can do anything' is slogan of faith and will of our revolutionary Armed Forces" is the title of an article of the paper.

Under the respective titles "All Toward Festival Venue of the 40th Anniversary of the Victory in the War With Great Achievements" and "Let Us All Make General March To Honor the 40th Anniversary of the Victory in the War as a National Jubilee", NODONG SINMUN and MINJU CHOSON deal with the innovations daily effected by working people in various domains of the national economy in production and construction.

NODONG SINMUN reports that South Korean people demanded the abolition of the "National Security Law" and "National Assemblymen" urged the investigation into Chon Tu-hwan and No Tae-u and the resignation of Kim Chong-pil.

The press in commentaries denounce the South Korean "foreign minister" for currying favour with big powers, begging them to impose "pressure" and "sanctions" on the fellow countrymen over the fictitious "nuclear issue".

NODONG SINMUN runs an article exposing that descendants of Yi Wan-yong, one of the five traitors of 1905 who played the chief role in selling off the country to the Japanese imperialists, are glutting and dressing themselves gaudily with the backing of power.

The paper rounds up foreign public voices saying that the singlehearted unity of the leader, the party and the masses is the viability and driving force of the Korean-style socialism.

Given in the press are accounts of the seminars and functions held in various countries on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

NODONG SINMUN dedicates an article to the month of solidarity with the Cuban people.

Cuba captured American clippers which illegally infiltrated into its territorial waters, according to the press.

It is reported in NODONG SINMUN that Samdech Norodom Sihanouk proclaimed a decree on changing the national name, flag and anthem of Cambodia and the chairman of the executive committee of the Palestine liberation organisation warned against the grave consequences of the failure of the Mideast peace talks.

The paper dedicates articles to the national day of Comoros and to the 29th anniversary of the independence of Malawi and the 27th anniversary of the proclamation of the republic.

MINJU CHOSON observes the independence day of Venezuela and the 18th anniversary of the independence of Cape Verde and the proclamation of the republic.

NODONG SINMUN in an article hails the successful holding of the 29th summit of the organisation of African unity.

Reviews 7 Jul Pyongyang Press

SK0707054293 Pyongyang KCNA in English 0447 GMT 7 Jul 93

[Press review]

[Text] Pyongyang, July 7 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Manuel Esquivel on the victory of the United Democratic Party of Belize in general elections and his assumption of office as prime minister.

NODONG SINMUN prints a solidarity message to President Kim Il-song from Major General Lansana Conte, President of the Republic of Guinea, in the current month of international solidarity with the Korean people.

Papers report that classical works of the great leader President Kim Il-song have been disseminated and studied in different countries.

NODONG SINMUN conveys summaries of articles of Pakistani papers under the title "President Kim Il-song is a great military strategist".

An article of the paper says that President Kim Il-song led the cooperativization of agriculture to a brilliant victory after the war, bringing a turn in the countryside of Korea.

Papers report that the dear leader Comrade Kim Chong-il sent thanks to the officers, non-commissioned officers, employees and their families belonging to the Pak Chol-hwan unit of the Korean People's Army who are bringing up orphans.

NODONG SINMUN informs the readers that the South Korean people highly praise Comrade Kim Chong-il as a talented military strategist.

"Political leadership and centralistic planned guidance of economy are main duty of party and state" is the title of an article of the paper.

Highlighted in papers are reports that working people in power industry, agriculture and other sectors of the national economy are registering new successes every day to greet the grand festival of the 40th anniversary of the victory in the war with greater achievements.

The coal miners are greeting their significant holiday with increased production, says the press.

Papers inform the readers of a scientific symposium of historians and geographers of Korea on the name of the East Sea of Korea.

Papers report that the overseas headquarters of the National Alliance for the country's reunification issued "petition to the authorities in North and South" on the 21st anniversary of the publication of the July 4 joint statement.

NODONG SINMUN comments on the South Korean authorities' suppression of the labor movement.

Papers convey words of foreign party and state leaders and public circles supporting the three principles of national reunification—independence, peaceful reunification and great national unity.

Papers give accounts of functions held in foreign countries to mark the 40th anniversary of the Korean people's victory in the fatherland liberation war.

Papers report that a meeting was held here to open the month of solidarity with the Cuban people.

It is reported in papers that the standing committee of the national people's congress of China met and the 10th Mideast peace talks were held.

NODONG SINMUN carries the first part of a serial article on the Japanese imperialists' criminal fabrication of the "Ulsa 5-point treaty" in 1905.

South Korea

Clinton Expected To Clarify 'Win-Hold-Win'

SK0707052493 Seoul YONHAP in English 0515 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—The United States is expected to clarify its position on its "win-hold-win" strategy regarding the Korean peninsula during President Bill Clinton's Seoul visit this weekend, South Korean envoy to Washington Han Sung-su said Wednesday. The summit of the Asia-Pacific Economic Cooperation (APEC) is likely to open at the coming conference in Seattle in November, and it will be an economic summit rather than a political summit, he said in a press conference.

Clinton will be in Seoul July 10-11 after attending the G-7 summit in Tokyo, accompanied by his Secretary of State Warren Christopher and Secretary of Defense Les Aspin.

Aspin met with his South Korean counterpart in Washington and extensively discussed the "win-hold-win" policy. Seoul had expressed concern that the strategy may send a wrong signal to Pyongyang.

"The matter was discussed and solved during defense ministers' talks," the ambassador said, "the United States is expected to reveal its official position on this strategy and how it applies to the Korean peninsula."

"The South Korea-U.S. summit will reaffirm the two countries' commitment to bilateral security arrangement," one Foreign Ministry official said, "Washington will have to consequently 'revise' its win-hold-win principle when it comes to the Korean peninsula."

Amb. Han beamed optimism that the first APEC summit will open in Seattle at its fifth meeting coming November. But it will be an economic summit instead of once considered a political summit where national leaders would discuss regional security agendas. The summit will open after the regular conference among foreign and trade ministers, said Han.

"One of the purpose of Clinton's visit is to declare once again the rock solid security relations between Seoul and Washington," the ambassador said. "Stability on the Korean peninsula is a prerequisite to the development of the Asia-Pacific. Therefore, the U.S. role in the region will not diminish but actually increase."

While the two countries agree that South Korea's vision of mini-CSCE (Conference on Security and Cooperation in Europe) as a model example of security framework in the Asia-Pacific, such framework will require years of work before being born, Han predicted.

"The agreement is that the multilateral security regime should complement, not interfere with, the existing bilateral arrangements."

"But unlike Europe, nations in this region have widely different background and interests. It will take quite some time before a framework emerges," the ambassador said.

DP: Clinton National Assembly Speech 'Affront'

SK0707055593 Seoul YONHAP in English 0543 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—The opposition Democratic Party [DP] has decided to convey its intention to oppose the opening of the Korean market to imported rice to Bill Clinton when the U.S. President visits South Korea over the weekend, a spokesman said Wednesday. The policy committee of the oppositon party will announce a statement on pending issues between South DP Chairman Yi Ki-taek will also bring up the issue of rice market opening when he meets Clinton at the National Assembly, he said.

The spokesman also described the plan by Clinton to deliver his speech at the National Assembly on Saturday afternoon as "an act of contempt" for the National Assembly and an affront to the Korean people.

Chairman Advises Members Not To Attend

SK0707070593 Seoul CHUNGANG ILBO in Korean 7 Jul 93 p 4

[From the column "Central Tower": "Party Representatives Meeting With Clinton 'Meaningless'"]

[Text] The Democratic Party [DP] expressed unpleasantness with the fact that the schedule of U.S. President Clinton's speech at the ROK National Assembly is set on the afternoon of 10 July, Saturday. At an executive committee meeting of the party held on 7 July Rep. Yi Pu-yong, a chairman of the party, stressed that the opposition party should not attend the assembly to hear U.S. President Clinton's speech, saying: "A dignified state should not agree with such a schedule."

Rep. Cho Se-hyong, another chairman of the party, said that "the meeting with President Clinton by the representative of the opposition party will be a group meeting, not a tete-a-tete meeting, and is, therefore, meaningless."

He then advised the party to deliver a long statement to President Clinton instead of attending the meeting.

Rep. Han Hwa-kap denounced the government's attitude toward the United States, saying that "I heard in the United States that there is no pending issue between the ROK and the United States and that this is because our government has accepted all demands from the United States."

Thus, the DP has decided that its policy-making committee will prepare and release a party statement regarding the pending issues between the two countries, including the issue of opening rice market in the ROK.

U.S. Official Applauds Financial Reform Plan

SK0707032993 Seoul THE KOREA TIMES in English 7 Jul 93 p 9

[By staff reporter Yi Chang-sop]

[Text] A U.S. Government official yesterday applauded Korea's financial reform and market-opening program but added that Washington will be looking to see how these proposals are translated into action as promised.

Just ahead of President Bill Clinton's visit Saturday to Seoul, the official said on condition of anonymity that if the proposals are implemented without any delay, it will be a major advance in opening the Korean financial market.

It is the first time that a U.S. Government official in charge of overseeing Korea-U.S. financial issues, made an official comment on the Ministry of Finance's [MOF] reform plan.

It is also the first time that Washington officially "praised" Seoul's market-opening program. In the past, the United States had always been critical of Korea's move to settle bilateral financial issues, terming them piecemeal and cosmetic.

But his remark indicates that Washington may at least tone down its pressure on Korea to open its financial market, many analysts here said.

The official said, "It is a big step in the right direction, adding that the reform proposals are not only in Korea's interests but also naturally in American financiers' interest."

He said that Korea needs an efficient financial market to help industrial firms move into high technology business and compete in global markets.

Before making an official comment on Seoul's program, the United States has gathered opinions from U.S. bankers, brokers and business executives here about the MOF's reform and market-opening programs.

The response from U.S. financiers here was said to have been generally positive although some of them complained about "micro issues," including alleged difficulties in expanding won currency funding sources.

The official said he may be surprised to see Clinton make a special reference to Korea's financial reform program during his visit. But he speculated Clinton may praise the Kim Yong-sam administration's economic reform plans, a major part of which are Korea's financial reforms and market-opening programs.

He said Clinton may have little time to talk about specific bilateral economic issues during his short stay. But this does not mean "there is no bilateral trade problem."

Some issues have been moving toward solution and other issues have been under negotiation for settlement, he said.

Lawrence H. Summers, undersecretary of the Treasury Department for international affairs, will accompany Clinton on his visit here. The Treasury official, who is the highest U.S. Government official in charge of bilateral financial talks with Korea, will meet with Korean Ministry of Finance officials.

Summers last month outlined a six-point proposal that Washington wanted to be contained in Seoul's financial reform and market-opening program.

He said, "I believe most of the six-point proposals are contained in Seoul's program but I must carefully compare Summers' proposal with Korea's program."

Terming Korea-U.S. relations on bilateral financial issues "good," the official said the general framework of Seoul's financial reform plan is acceptable.

But he said the Ministry of Finance had said it will try as much as possible not to attach macroeconomic preconditions to the implementation of the reforms and market-opening program.

He also added that some portion of the blueprint (market-opening program) "contains language suggesting implementation may be delayed if macroeconomic conditions are not met."

For example, the MOF said imports of commercial loans will be allowed in keeping with the maturity of macroeconomic conditions, including balance of payments equilibrium and narrowing of differences between domestic and offshore interest rates, he said.

"We want some clarification on such issues," he said, quoting U.S. bankers and brokers here as saying that "some of the proposals are too vague" and that "the pace of reform and market-opening schedule must be accelerated."

The position of the U.S. Government is not always the same as that of private bankers and brokers, he said, adding that bankers always seek to maximize profits.

MOF officials have said Korea's reform plan is faster than Japan was but may be slower than Australia was, adding that the implementation speed must be decided by the Korean Government itself.

Assistant Finance Minister Yim Chang-yol, in announcing the market-opening program, said, "It is the best offer Korea can provide at this moment."

"Generally, we welcome the MOF's reforms and market-opening plan as a step in the direct direction," the U.S. official said. He stopped short of "endorsing" the plan.

Asked to comment whether his remark means Washington's de facto endorsement of Seoul's plans, he said, "We are moving more toward endorsing the program rather than opposing it." "Basically I do not want to use such a word as endorsement in evaluating the financial reform plan," he said.

Article Previews Summit With U.S.

SK0607140093 Seoul CHOSON ILBO in Korean 6 Jul 93 p 5

[By Kim Kyong-won, head of the Institute of Social Science and former ROK ambassador to the United States, from the "Morning Platform" column]

[Text] U.S. President Clinton is going to visit the ROK.

What can we expect from the ROK-U.S. summit to be held for the first time since the inauguration of the civilian government? First of all, I would like to list things that we must not expect.

First, we do not have to have the legitimacy of our government recognized. Unlike the past, our government need not now trouble itself with making leaders of foreign countries recognize its legitimacy. However, frankly speaking, we have to a certain extent an inclination to receive the U.S. blessing. This may be because in the past, we attached importance to China's recognition of our legitimacy. However, we must free ourselves from the psychological inclination for receiving recognition of our government's legitimacy from leaders of other countries.

Second, the ROK-U.S. summit need not focus on any specific issue. Of course, the presidents of the two countries will discuss specific issues such as security and trade. However, discussion of those issues will have to be based on what has been agreed upon at the level of the two sides' officials or below. They must be reminded that to do otherwise would result in making it more difficult to resolve those issues.

For example, it is not desirable for the summit to focus on the North Korean nuclear issue. The nuclear issue can be handled by officials at working-level talks. Handling the issue at the summit may cause the policy toward the North to become more inflexible than needed, because it would cause people to expect that the summit will result in a certain magical method for resolving the issue. Therefore, confirmation by the presidents of the basic goals and principles for the nuclear issue would be enough.

Third, summit talks are not events for exchanging gifts. In the past, we heard many analyses on what gifts U.S. Presidents brought to us and what we presented to the guests, which cannot be called analyses at all. The negotiations' procedure is not so simple in nature, and we have to remember that the ROK-U.S. summit is not always aimed at negotiations.

Then, what should be done at the upcoming ROK-U.S. summit? First, Presidents Kim Yong-sam and Clinton need to exchange their views on the international situation in the area close to the two countries.

At present, the four strong countries in Northeast Asia, including the United States, are maintaining peaceful relations for the first time in 100 years. A closer look, however, indicates the present peace is like a calm before the storm. The United States achieved victory in the cold war, but it is exhausted from economic problems. It is quite possible that Russia will retrogress to a dictatorial system although it desires a market economy and political democratization. China is faced with the challenge of political modernization and decentralization following its rapid economic growth. Japan has entered a a stage of great change in its internal system. What strategies are the ROK and the United States planning to have in the uncertain future ahead?

The United States is pursuing a relatively consistent policy toward Russia. However, it seems that the United States has not decided on a clear direction in its policy toward China and Japan. In particular in relations with Japan, the Clinton administration seems to be confused in its policies between the White House, the Department of State, and the U.S. Trade Representative. In addition, the prospect of success in ongoing trade negotiations with Japan is not clear. President Clinton may be clearly aware of what influence will be exerted on the balance of power in Northeast Asia in the event that the U.S.-Japanese relations are aggravated to an extreme point. However, I think it would be necessary for President Kim Yong-sam to explain his own view on this point to President Clinton.

Second, in-depth dialogue on the future of the Korean peninsula is necessary. This dialogue should not only include the nuclear issue but should also include plans to maintain stability on the Korean peninsula for the "post-Kim" period.

Moreover, substantive analysis and views pertaining to the reunification issue should be presented during the dialogue, instead of such meaningless stereotypical slogans as North-South reconciliation, phased-stage reunification and so forth.

Lastly, I would like to point out that the forthcoming talks are an excellent opportunity for them to appeal [hoso] to the people of the two nations.

Opportunity To Inform Others of New Korea

U.S. Presidents who visited the ROK in the past made the gesture of reaffirming the security commitment through speeches at the National Assembly, and at other occasions. However, it seemed that the ROK side failed to send a message to the American people by not taking advantage of the U.S. Presidents' visits to the ROK. In fact, U.S. journalists who accompany the U.S. President offer us a good opportunity to inform the American people about the "New Korea." Needless to say, this is possible through the U.S. President. We firmly believe that President Clinton will feel no reluctance in informing the American people of the new relations between the United States and the ROK, because the ROK's basic position on national interests and democratic outlook on value in midst of a great upheaval in the Northeast Asia are the same as that of the United States. Viewing all this, the forthcoming ROK-U.S. summit talks, being held for the first time since the civilian government came to office, are indeed of great historic significance.

Kim Urges Ministers To Attain Economic Aims

SK0307123293 Seoul YONHAP in English 1124 GMT 3 Jul 93

[Text] Seoul, July 3 (YONHAP)—President Kim Yong-sam on Saturday urged economic ministers to do all they can to make the 5-year new economic plan a success. The president especially asked the economic ministers to work in concert among themselves around Deputy Prime Minister Yi Kyong-sik.

"Of course, personal conviction is important among top policy makers, but what is more important is consistent team work," Kim said.

President Kim made the remarks while taking dinner with Yi and 10 other economic ministers at Chongwadae.

He also stressed that public officials, senior officials in particular, should be careful lest they should speak about policy matters outside without getting filtered. Saying that some people seem impatient about the fruits of economic policies, the president said, "You cannot reap economic yields overnight. We can harvest next or the year after next at the earliest what we sow this year."

Urges Continuation of Reforms

SK0507082893 Seoul YONHAP in English 0640 GMT 5 Jul 93

[Text] Seoul, July 5 (YONHAP)—President Kim Yong-sam on Monday urged the nation to continue with reforms as they are the national task that "has to accomplish by all means in order to survive in the era of fierce international competition." Speaking in a groundbreaking ceremony for the construction of No. 1 subway in Inchon, the chief executive stressed that "people should have the will to reform in their way of thinking rather than just pin hazy expectations on reforms."

Apparently referring to labor disputes in Ulsan, the president said, "The collective selfishness for one's own group ought to be changed into the community consciousness. There shall not be a sense of separating you and me in our endeavor for the creation of a new Korea."

Describing the reforms his administration has pursued so far as "energetic," Kim made it clear he would draw further in the reins of the reforms drive in the days to come when he said "we are only at the starting point."

Decries Econominc 'Stumbling Block'

SK0507132693 Seoul YONHAP in English 1307 GMT 5 Jul 93

[Text] Seoul, July 5 (YONHAP)—President Kim Yong-sam on Monday evening warned that he would not condone any one who does not abide by law.

"If there pops up a stumbling block to the revival of the economy and nation, I will do what I can as the president to remove it," the president said. Kim made the remarks while taking dinner at Chongwadae with 24 top union leaders including Pak Chong-kun, president of the Federation of Korean Trade Unions.

"Labor disputes are supposed to be resolved smoothly through talks between the labor and management," said Kim. "But, if either of the two sides violates law, I will not condone it under any circumstances."

The president said the Korean economy would fall behind the economy of other countries for good if people demand their own interests in collective selfishness. Saying that some politicians care about their next elections while others work for the interests of the coming generation, Presdient Kim said, "I myself have no election to stage five years later, so I intend to work for the coming generation uprightly, selflessly and fearlessly," Kim said.

Remarking that both the labor and management are in the same boat of destiny, President Kim stressed that all parties should join the "pain sharing" aware that if any of the parties errs, it would lead to the wreck of the boat itself.

Vows No Intention To Isolate, Absorb North

SK0607064893 Seoul KBS-1 Radio Network in Korean 0205 GMT 6 Jul 93

[Text] President Kim Yong-sam said that the course of reunification should be democratic and that the road to reunification should be the road to national prosperity.

At the opening session of the inaugural meeting of the Sixth Advisory Council for Democratic and Peaceful

Reunification held at Sejong Cultural Center today, President Kim said: The new government values democratic procedure in its reunification policy, and will push ahead with it under the three basic principles of coexistence, co-prosperity, and national welfare.

President Kim said: If freedom without reunification is considered unstable, reunification without freedom would be more unstable. If we say there are problems in prosperity without reunification, reunification without prosperity would cause more problems. We must not sentimentally hope for reunification without substance.

He said: I will never use the reunification policy as a means to maintain political power. We have no intention either to isolate North Korea or to reunify the country by absorption [hupsu tongil]. Accordingly, the North Korean authorities should discard the worthless intent of bolstering distrust and conflict inside the South.

President Kim said that hoping to prevent the destruction of the whole nation, he would keep the door to dialogue wide open. He stressed that showdowns of dialogue between the South and North should no longer exist and that dialogue is now needed for the victory of both sides.

He urged North Korea to improve South-North relations by dissolving suspicions of nuclear development as soon as possible and by showing a sincere attitude, especially in the area of relieving the pain of separated families.

He said: Regimentation of our zealousness for reform is considered a short cut to the reunification. It is only the beginning of the long march of reform, and broader and deeper reforms should be performed from now on.

Inter-Korean Trade Down 17.7% in First Half

SK0607085593 Seoul YONHAP in English 0748 GMT 6 Jul 93

[Text] Seoul, July 6 (YONHAP)—Two-way inter-Korean trade in June registered 14.73 million U.S. dollars on an approval basis, down 17.4 percent from a year earlier, the Ministry of Trade, Industry and Energy said on Tuesday. This brought the total for the first half of the year to 89.46 million dollars, down 17.7 percent from the same period of last year.

North Korea's want for foreign exchange holdings and the strained inter-Korean relationship due to North Korea's nuclear problem were blamed for the decrease.

But the half-year textile trade for processing in North Korea and selling in South Korea jumped 280 percent from a year earlier to 1.42 million dollars. The trade approved for July alone amounted to 773,000 dollars, according to the ministry.

Firm Ships Cargo to PRC Through DPRK Port

SK0707060093 Seoul THE KOREA TIMES in English 7 Jul 93 p 8

[Text] A South Korean shipping agent recently developed a new route to transport cargoes to China through inland trucking via North Korea. Oram Shipping, specializing in service to socialist countries, sent a 3,000-ton Russian vessel with 100 autos on board from Kunsan, Cholla-pukto, on June 19. The vessel reached Chongjin port, Hamgyong-pukto, after four days.

The autos will then be shipped to Jilin Province, China, by land, according to Oram officials. It will be the first time ever cargoes will be shipped to China on an inland route involving the communist North.

The opening of the route from South Korea to northern Chinese provinces is not only economical but will help settle conflicts with China over the smuggling of autos, the officials said.

Kim Restates Three-Phase Unification Formula

SK0607043293 Seoul YONHAP in English 0311 GMT 6 Jul 93

[Text] Seoul, July 6 (YONHAP)—President Kim Yong-sam, warning against a "sentimental" view of unification, said Tuesday that political and economic freedom must be guaranteed and welfare and human rights must be respected in a unified Korea.

"If freedom without unification is incomplete, unification without freedom would be more incomplete," Kim declared. "If prosperity without unification has problems, unification without prosperity would have more problems."

The president made the remarks in an opening address at the inaugural meeting of the Sixth Advisory Council on Democratic and Peaceful Unification held in Sejong Cultural Center on Tuesday.

Kim reiterated the three-phase unification formula which calls for inter-Korean reconciliation and cooperation, the formation of a commonwealth of South and North Korea, and reunification into one state and one nation. He said underlying this formula, which was first set forth by the previous administration, are the respect for democratic process, the spirit of co-existence and co-prosperity, and the principle of national welfare. The door to inter-Korean dialogue is always opened wide, he said, in order to prevent the tragedy of a simultaneous fall of two Koreas.

He added, "There should no longer be the dialogue between South and North Korea in which one side defeats the other and which proceeds to the advantage of one side only. We the need a dialogue in which both sides become winners.

"Most crucial to South-North relations is building a mutual trust," Kim said. "I urge North Korea to improve South-North relations and contribute to achieving world peace by clearing itself of the suspicion surrounding its nuclear energy development program."

The president then called on North Korea to be positive and sincere in approaching the issue of separated families.

"The pressing task facing us today is easing the pains of the families separated between South and North Korea," he said. "We have already returned old man Yi In-mo to North Korea."

Pledging that he would never make use of the unification issue to maintain his power, Kim stressed, "we never want North Korea to be isolated. It is with this spirit that we have repeatedly expressed our intention of not absorbing North Korea for national reunification."

Calling the on-going reforms a unification movement at this point of time, he said, "the long march of reforms has just started and the reforms should spread more and more in depth as well as in breadth."

Implementation of North-South Agreement Urged

SK0707020293 Seoul TONG-A ILBO in Korean 6 Jul 93 p 5

[From the column "Tong-A Commentary" by Nam Si-uk, managing director: "The North Korean Nuclear Issue and the People's Correct Responsive Stance"]

[Text] A Japanese reporter visited me several days ago. He asked me why Seoul was so quiet on the 43d anniversary of the 25 June Korean war. With the "40th anniversary of the war victory over the United States", which falls on 27 July, at hand, Pyongyang is noisily preparing for a large-scale function. He asked me why the South was too quiet, unlike Pyongyang.

I replied that the South, which has entered the era of civilian rule, has grown up enough to deal with North-South relations maturely. As a matter of fact, I had no precise information on Pyongyang's atmosphere and rather had to rely on him for coverage on Pyongyang.

North Korea is a closed country and therefore it is very difficult for us to have access to information on what is going on in North Korea even though we try so hard.

What is more, we are tied up with domestic matters. The United States and North Korea are negotiating on the nuclear issue. Japan is rather interested in North Korea's successful test-launch of the Nodong-1 missile.

We have been reduced almost to the position of a spectator regarding the nuclear issue. Even the North-South agreement which had excited people was virtually turned into waste paper just like the 4 July joint communique.

It seems that the government authorities are not much interested in informing the people of North Korea's real situation. This may be because the past dictatorial regimes took advantage of the national security issue for their domestic politics and because the government took into consideration the people's distrust in the government due to such a malicious practice. The government's delinquency in informing the people of the truth deprives the people of opportunities to have access to correct information and knowledge on North Korea's moves. This naturally makes the people indifferent to it.

Several days later I read the Japanese reporter's article in his newspaper. Some statements in his article interested me. Quoting the statement by a ROK specialist in North Korean affairs with whom he interviewed, he said: "All the people are optimistic about the Korean situation, saying that the second Korean war will not break out because the cold war structure has disappeared. They have dwindling fear of North Korea which is developing nuclear weapons and missiles. This worries us.

A great number of people have optimistic views on the Korean situation, saying that the day is not far off when North Korea's system will collapse and that this will bring about reunification in a natural manner. In addition, they pin expectations on the United States in national security matters, saying that the United States is standing by us and we will be all right. Some intellectuals say: "Why do we worry about North Korea's nuclear development? If our country is reunified, its nuclear weapons will inevitably be ours." They rather insist that North-South economic cooperation is urgent. Even some of the intellectuals say that it is an antireunification stance to suspend dialogue with the North under the pretext of the nuclear issue."

Our indifference to national security, in particular to the nuclear issue reached a level enough to draw the attention of foreign media.

When we were going to build even an nuclear power station at home, we always faced fierce demonstrations opposing it. However, even amid uproarious public opinion in the international community criticizing the ongoing nuclear weapons development on the other side of the Armistice Line, our antinuclear movement activists and those advocating environmental protection are keeping silent. In particular, the reaction of student movement activists is even more calm. This is indeed a strange phenomemon.

Such confusion in our internl stance is attributed to negligence and evasion of responsibility by leading-class figures, including government officials, politicians, and intellectuals.

In particular, this was caused in part by the excessively ambitious attitude that the govenment showed by ignoring the realities when it was inaugurated.

Nothing whatsoever has changed in North Korea. It used the North-South agreement for the purpose of negotiations with the United States and Japan. Since the nuclear problem was raised, North Korea has been dragging on time by taking maximum advantage of the agreement for negotiations with the United States. North Korea also seems to be thinking that the situation is favorable to it for the time being.

The dialogue between us finally came to suspension after quarrels over several occasions. North Korea is bargaining with the United States and we are being treated as a third party. We are even in an odd position to request that the United States not make further concessions to North Korea.

Difficult Testing Stand:

The North Korean authorities recently announced the "withholding" of its withdrawal from the Nuclear Nonproliferation Treaty [NPT] after its decision for withdrawal some time ago. In this course, North Korea attained diplomatic achievement by succeeding in holding direct negotiations with the United States by excluding us. Thus, in spite of our government's remarks that no ideology and ideal can be regarded as more important than the nation, North Korea put our government completely in the shade. The basic spirit of the North-South agreement, not to mention its various relevant rules, has now disappeared.

Concerning a movement by the UN Security Council toward sanctions, North Korea declared that "the movement means war" and thus showed an attitude ready for war. Since North Korea's remarks gave an impression that a war may break out on the Korean peninsula at any moment, voices expressing worries that "in that case, we will suffer damages" resounded from within some circles at home. Some people even pointed out the strategic vulnerability of Seoul, the capital city, being too close to the Armistice Line.

Under this situation, let us assume that North Korea possesses nuclear weapons.

Needless to say, it is natural for us to resolve North Korea's nuclear issue peacefully and in a persuasive manner to the end, no matter what positions and attitude North Korea may take. This is even more true for the common interests of the nation.

However, we should be keenly aware that resolute determination and firm resolution are the only way for solution of the problem in the event North Korea does not change its attitude to the last and that there is no other choice for us. This being the situation, we think that the Kim Yong-sam government is on a difficult testing stand.

The time will come when this civilian government should show that it it not at all a weak, effeminate government.

What is needed for us at present is not the issue of choosing or separating the nuclear issue from economic cooperation, which some circles have raised, but instead a strong demand to the North Korean authorities for a package resolution of problems through simultaneous implementation of the North-South agreement. At the same time, we should demand the North Korean side's response to our demand.

Government May Overhaul Martial Law Regulation

SK0407020093 Seoul THE KOREA HERALD in English 4 Jul 93 pp 2, 9

[Text] Prime Minister Hwang In-song yesterday hinted that the government may consider overhauling the current martial law and the law governing the Garrison Decree to prevent political abuse.

Testifying at an interpellation session at the National Assembly, Hwang said the government will consider revising the laws to make the proclamation of martial law and the Garrison Decree difficult.

Opposition politicians have charged that the law has been declared arbitrarily by previous governments for political gain.

Hwang said that the government "should be prudent in holding former Presidents responsible" for the irregularities over the Yulgok Project and the construction of the Peace Dam, hinting that the government has no intention of punishing ex-Presidents Chon Tu-hwan and No Tae-u.

The prime minister also reaffirmed the government's position that the controversial National Security Law should be neither revised nor abolished as long as North Korea shows no change in its hard-line policy against South Korea.

Deputy Prime Minister and National Unification Minister Han Wan-sang said that the deadlocked inter-Korean dialogues unlikely to be reopened for the time being.

However Han suggested there is a high possibility that the North may propose inter-Korean dialogue if the high-level Pyongyang-Washington talks in Geneva, slated for July 14, fail to produce tangible results.

Foreign Minister Han Sung-chu said the government is considering promoting consultations with the United States to revise the Wartime Host Nation Support accord.

He was responding to opposition lawmaker Yi Pu-yong's question on whether the government has intention of rewriting the so-called unequal treaties between Seoul and Washington which the lawmaker says is disfavorable to South Korea.

During the session, an opposition Democratic Party [DP] lawmaker openly called for the resignation of Kim Chong-pil as chairman of the ruling Democratic Liberal Party, citing his roles in "events violating the Constitution" such as the May 1961 coup d'etat.

"How can the people understand that a man like Kim chairs the ruling party in this era when a civilian government is seeking unprecedented reform?" charged Rep. Yi Pu-yong when he took the floor during a National Assembly interpellation session.

Yi suggested Prime Minister Hwang In-song recommend Kim's dismissal to President Kim Yong-sam.

It caused an immediate interparty quarrel on the first day of a three-day parliamentary interpellation.

Rep. Yi also called for questioning of and legal punishment against former Presidents Chon Tu-hwan and No Tae-u if they are found to have violated laws concerning the scandals over the Yulgok Project, a defense improvement program.

At the beginning, the Assembly session was suspended for one hour as Rep. Pak Kye-tong of the DP demanded Prime Minister Hwang again make clear his stance on the Dec. 12, 1979 incident, which Hwang said in a May Assembly session was "not illegal."

After a quarrel between lawmakers of rival parties, Hwang unwillingly took to the podium and said the incident was a "coup-like military revolt which should never recur," echoing President Kim Yong-sam's earlier remarks.

In the interpellation, Rep. Kang San-chae of the ruling Democratic Liberal Party demanded to know all the facts about irregularities surrounding the Yulgok Project, the multi-billion- dollar arms procurement program, and construction of the so-called Peace Dam.

He also asked whether the Board of Audit and Inspection (BAI) has decided to question former Presidents Chon and No and Defense Minister Kwon Yong-hae concerning irregularities in the Yulgok Project.

Deputy Premier on Results of 100-Day Economic Plan

SK0207032393 Seoul YONHAP in English 0230 GMT 2 Jul 93

[Text] Seoul, July 2 (YONHAP)—Deputy Prime Minister Yi Kyong-sik said Friday South Korean economy is on its way to slight recovery and predicted that the results of the government's 100-day economic plan will be visible in the second half of this year. Yi, who is also minister of the Economic Planning Board, was reporting on "the five-year plan for a new economy" at Chongwadae to President Kim Yong-sam and touched on the results of the new economy 100-day plan.

"It is too early for the 100-day plan to show a visible effect in business activities such as construction and investment. But its orginal purposes—to gain people's credibility on the new government's ability to handle economy and to change the sluggish economy to active one—are being accomplished," Yi said. He said that under the 100-day plan, the government took action on lowering interest rate, expanding funds for equipment and trade, early implementation of budget spending, raising funds for readjusting structures of small and medium-sized companies and removing restrictions.

Further on Hyundai Group Labor Dispute

Ulsan Firms Lose $979 Million

SK0307030893 Seoul YONHAP in English 0201 GMT 3 Jul 93

[Text] Seoul, July 3 (YONHAP)—The Hyundai Business Group's two affiliates in Ulsan, which are now embroiled in labor disputes, have recorded a combined business loss amounting to 783.8 billion won (979.5 million U.S. dollars) as of Thursday, a group spokesman said on Saturday.

Hyundai Motor Co., the largest automaker in Korea, has been experiencing difficulties since union workers at a parts supplier went on strike in May and the automaker itself became the victim of workers' job action in June. During the period, Hyundai Motor was unable to produce 54,350 vehicles, losing 691.4 billion won in terms of value, officials said.

Hyundai Precision and Industry Co. suffered a loss of 60.4 billion won while its parts supplying companies sustained losses totaling 32 billion won.

Meanwhile, union members of Hyundai Heavy Industry Co. are to vote on industrial action Saturday and if a strike is on, the company will lose 11.3 billion won a day.

Prosecutors Investigate Labor Activists

SK0307031293 Seoul YONHAP in English 0233 GMT 3 Jul 93

[Text] Seoul, July 3 (YONHAP)—The Supreme Public Prosecutor's Office, suspecting that the labor disputes at Hyundai affiliates were being manipulated by outside parties, began investigating dissident labor activists for their possible involvement in the Hyundai labor unrest Saturday. The prosecution is said to be considering legal and other resolute actions if Hyundai affiliates stage illegal strikes in alliance on July 7 as threatened by Hyunchongnyon, a coalition of trade unions of Hyundai Group companies.

It is poised to arrest Tan Pyong-ho, executive chairman of the Chonnohyop (National Council of Trade Unions) and about five labor activists in Ulsan for violating the labor law that forbids involvement by a third party in company labor disputes.

In a seminar on this year's struggle for pay hikes on Wednesday, hosted by labor unions of Masan and Changwon, South Kyongsang Province, Tan urged all unionists of Masan and Changwon to take part in Hyunchongnyon's strike, prosecution officials noted.

"We have so far restrained from exercising police power in Hyundai's disputes and instead encouraged labor-management talks, but we have no choice but to take strong action because outside parties are agitating unionists at work sites across the nation," said Choe Hwan, head of the Public Security Department at the Supreme Prosecutor's Office.

The prosecution discovered that thousands of subversive leaflets were distributed under the name of "the revolutionary socialist labor party" at Hyunchongnyon's rally on Wednesday. It had detained a man distributing them and was questioning him on the character of the Socialist Labor Party.

"We are still investigating whether the organization is a home- grown communist or pro-Pyongyang leftist body," a prosecutor said, adding that the group was understood to be unrelated to insiders of Hyunchongnyon.

Ministry To Work To Prevent Strike

SK0707072293 Seoul YONHAP in English 0538 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—Labor Minister Yi In-che said Wednesday his ministry will try to prevent labor unions of Hyundai Group affiliates from staging a combined job action under the guide of Hyunchongnyon or the Federation of Hyundai Labor Unions.

The Labor Ministry will encourage separate negotiations at each of the Hyundai Group's 33 companies, Yi said at a meeting of the National Assembly's Labor Committee. He said the Labor Ministry will form a special task force on the Hyundai issue and will make efforts to bring about an early solution to the labor disputes at Hyundai Motor Co. and Hyundai Heavy Industry Co, whose industrial actions have enormous adverse effects in the nation's economy. After resolving the problems at these two companies, the government will try to spread the "congenial atmosphere" to other Hyundai Group companies, Yi told lawmakers.

"We will ask management of Hyundai Motor Co. to be sincere in negotiations with labor and ask the union to abstain from staging a strike," he said.

Of the 33 Hyundai affiliates, nine companies settled labor negotiations and 20 companies are still holding them while four others have not begun their negotiations.

Hyunchongnyon, formed in August 1987, has been trying to lead joint struggle among Hyundai Group companies every year. It formed a new leadership in February and helped unions at Hyundai Motor Co. and other Hyundai affiliates in Ulsan carry out wage negotiations since June 16, Labor Ministry officials said.

Meanwhile, some 2,931 or 53.2 percent of all 5,511 companies with more than 100 employees have settled their wage negotiations throughout the country by the end of June, the ministry said. It said that as of June 30, 68 labor disputes broke out, down 53.4 percent from a year earlier, and the number of companies reporting labor dispute occurrences was 815, down 39.1 percent.

8 of 9 Unions Stage One-Day General Strike

SK0707073893 Seoul YONHAP in English 0548 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—Labor unions at eight of the nine Hyundai Group companies in Ulsan staged a one-day general on Wednesday, while two to three Hyundai Firms in other areas are likely to solve their labor disputes shortly.

Inchon Iron and Steel Co., a steel arm of the Hyundai Group, settled its labor dispute as labor and management agreed to a 4.7- percent wage hike for this year on Tuesday afternoon. In Ulsan, however, some 60,000 employees of eight companies, including Hyundai Motor Co. and Hyundai Heavy Industrial Co., staged a concerted one-day strike in protest against Hyundai Chairman Chong Se-yong's refusal to meet the Hyundai Union leaders in group.

At Hyundai Motor Co., the union continued collective bargaining with the management on Wednesday, while its members staged a strike, and decided on whether to continue the strike from Thursday on, depending in the result of the bargaining on Wednesday.

Law enforcement agencies, defining the joint strike at the eight firms as illegal on the grounds that it was instigated by the Federation of Hyundai Unions as a third party, will seek arrest warrants against four leaders of the federation—Yi Hong-u, Yun Song-kun, Kim Yong-il and Chong Kil-yang—on Thursday [8 July]. They have also put in a wanted list seven labor activists—Tan Pyong-ho, Kwon Yong-mok, Yi Sang-hyon, Mun Song-hyon, Yi Muk-hui, O Chong-so and Yi Su-won—for their role in the Hyundai strike, despite their being third parties to the strike. They have obtained arrest warrants against all of them.

Under the existing labor law, a third party is banned from involving himself from a labor dispute.

Meanwhile, some 5,000 sub-contractors of the Hyundai firms in Ulsan will hold a rally on Friday to appeal for an immediate stoppage of the strike through peaceful settlement of the disputes.

In a related development, Daewoo Shipbuilding and Heavy Machinery Ltd. announced on Wednesday it had settled its labor dispute as the labor and management agreed to a 4.7-percent wage hike for this year.

Farming Population To Decrease 'Sharply' by 1998

SK0707085893 Seoul YONHAP in English 0822 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—The farming population is expected to sharply decrease to 8.7 percent of the nation's population by 1998 when the government's five-year "new agricultural plan" ends, government papers said Wednesday. According to the papers presented by the Ministry of Agriculture, Forestry and Fisheries to a National Assembly Committee, the farming area is also likely to diminish to below 2 million hectares during the period.

The ministry expected that the farming population would shrink 30 percent to 3,996,000 by the end of 1998 from 5,707,000 last year, lowering its proportion to the whole population to 8.7 percent from 13.1 percent last year.

The farming household's yearly income is presumed to grow 87.5 percent to about 27.19 million won (33,987 U.S. dollars) from 14.5 million won in 1992, though its increasing rate will lag behind that of the national income. The per capita income is expected to more than double to 14,076 dollars from 6,749 dollars during the same period, according to the ministry.

The farming area will dwindle from 2.07 million hectares last year to 1.9 million hectares in 1998 as more factories and houses are certain to be built on the current cultivated area.

President Urges Further Decline

SK0707105793 Seoul YONHAP in English 1011 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—President Kim Yong-sam said on Wednesday the rural populace should decline further if the country wants to join the column of advanced countries. The president also stressed the importance of increasing the international competitiveness of the country's agricultural products. President Kim made the remarks while taking lunch with 240 rural leaders undergoing training at the agricultural cooperatives leaders training center at Ansong, Kyonggi Province.

"The decline of the rural populace is an inevitable trend. In fact, the farming population who account for 14 percent of the whole South Koreans is still too much compared with advanced countries," he said. The president said that with the full-fledged introduction of mechanized farming, there should be a further decrease in the rural populace.

Turning to the issue of labor disputes, President Kim said it is highly regrettable that labor disputes have flared up at a time when the country is at a critical juncture of economic advancement. Saying that the economy cannot fare well in a circumstance where wages have doubled or tripled in the past five years, President Kim vowed he would do all he could to revive the economy and re-establish national discipline.

"For us to emerge victorious in this age of trade, technology and information wars, we all should make a grave determination to successfully engineer changes and reforms if only to win the severe international competition," the president said.

BAI Questions Defense Minister on Yulgok Project

SK0707063793 Seoul YONHAP in English 0604 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—Board of Audit and Inspection (BAI) officials visited Defense Minister Kwon Yong-hae on Tuesday [6 July] and questioned him on his role in the military buildup program, called "Yulgok project," a BAI spokesman said Wednesday.

"Three auditors visited the Defense Ministry Tuesday afternoon and investigated Kwon whether he had used his influence in choosing weapons and he received bribes," the spokesman, Yun Un-chong, said. "While other former and incumbent defense officials were summoned to BAI for questioning, Kwon was investigated at his office because he is an incumbent minister and so far no special evidence of his wrongdoing was discovered," Yun said.

"But at present, we can not disclose the contents of our investigation on Kwon," he added.

Kwon was chairman of the Armed Forces Military Power Improvement Committee from December 1990 to February 1993 and the committee was one of organizations set up under the project.

Meanwhile, BAI Chairman Yi Hoe-chang briefed President Kim Yong-sam on the progress of BAI's investigtion on alleged irregularities in the Yulgok project and in the construction of the Peace Dam.

Seoul Reportedly Asks U.S. for Records

SK0707020393 Seoul CHOSON ILBO in Korean 7 Jul 93 p 2

[By reporter Kang Hyo-sang]

[Text] Upon the Board of Audit and Inspection's [BAI] request, the ROK Government has reportedly been discussing with the U.S. Government the possibility of obtaining data necessary for the investigation of the Yulgok Project from the United States.

Concerning the BAI's request for data on the Yulgok Project, an ROK Government official concerned said on 6 July that the "ROK Government has expressed its intention to the U.S. State Department." However, it has not been known how the United States reacted to our request or whether the ROK Government's intention has been conveyed to the U.S. General Accounting Office [GAO] and U.S. military industrial companies.

A BAI official concerned said: "If we obtain data from the United States, we will continue our inspection of the Yulgok Project even after we have announced the results of our special inspection of the Yulgok Project and refer suspects to the prosecution, which is scheduled for mid-July."

An official concerned at the Seoul Office of General Dynamics, the manufacturer of the F-16 fighter, said: "Neither the U.S. Government nor the ROK Government has asked us to provide data on the Yulgok Project."

Meanwhile, in late June, the BAI asked the Foreign Ministry to convey its official letter to the United States through diplomatic channels. The letter reads: "We need to obtain letters of contract on the weapons deals of the Yulgok Project and other data which the U.S. military industrial companies have. So, we hope that the United States will cooperate in this matter."

The data that the BAI wants to obtain from the United States include the results of the GAO's inspection of matters concerning the Korean Fighter Program and the accounting data of the U.S. Securities and Exchange Commission.

Army Officer Admits to 1985 Burglary of Kim's Home

SK0707060493 Seoul YONHAP in English 0522 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—The Defense Ministry's joint investigation department said Wednesday it has identified the officer who had allegedly led "a civilian group" to perpetrate political terrorism against opposition politicians in the mid-1980s.

A department investigator said the officer, Lt. Col. Yi Sang-pom, 44, of the Defense Intelligence Command, has admitted part of the allegations that he had ordered a team of ex-convicts discharged from the special forces to break into the house of the then dissident leader Kim Yong-sam in October 1985. Yi Sang-pom told investigators Tuesday he had also directed the the group to beat up the then opposition new Democratic Party vice president Yang Sun-chik in April 1986, the investigator said, requesting anonymity. But Yi, who was then a major, kept mum when asked who was behind him and what was the motive behind those acts.

As Yi admitted his involvement in the terrorist acts, the department would shortly arrest him, the investigator said.

The department's investigation of Lt. Col. Yi was ordered by Defense Minister Kwon Yong-hae on Monday [5 July].

Names Retired Officer as Boss

SK0707110693 Seoul YONHAP in English 1017 GMT 7 Jul 93

[Text] Seoul, July 7 (YONHAP)—A senior officer of the Defense Intelligence Command was singled out on Wednesday as the man who ordered political terrorism against opposition leaders in the mid-1980s. He is a retired army Brig. General known only as "Han" who at that time was director of the third office of the intelligence command and now is the representative of the "N" golf course in Songnam, Kyonggi Province.

The Joint Investigation Department of the Defense Ministry obtained the statement about Han's role from Lt. Col. Yi Sang-pom, 44, of the intelligence command.

The department has been questioning Yi on suspicion of having led a terrorist team composed of ex-convicts of the command. Yi is facing arrest on charges of forming a criminal organization. The department is further looking into the possibility that in addition to Han, some other senior officers of the intelligence command might have also been involved in the terrorism.

The source said, however, that the prescription of criminal action over the break-in into Kim Yong-sam's house in October 1985 and physical assault on Rep. Yang Sun-chik has been extinct.

Compensation Sought for Russian KAL Downing

SK0607064693 Seoul YONHAP in English 0611 GMT l6 Jul 93

[Text] Seoul, July 6 (YONHAP)—The South Korean Government has decided to claim Russia's compensation in connection with the 1983 shooting down by a Soviet fighter of a Korean Air (KAL) jetliner near Sakhalin, a Foreign Ministry report filed with the National Assembly Tuesday said. The government, the report said, will seek compensations from Russia for damage done to human lives and the jetliner as Russia took over the liabilities of the former Soviet Union in view that the International Civil Aviation Organization has adopted its final report on the incident.

The Foreign Ministry said it would make diplomatic efforts to solve such humanitarian problems as building a monument for the victims and holding a memorial service.

The Russian Government has already designated a plot of land for the construction of the monument and has expressed its willingness to cooperate in building it on the 10th anniversary of the incident in September, the report said. The Russian Government, in an effort to clear up suspicions, is ready to allow relatives of the victims to visit in late August the site where debris of the ill-fated airliner and remains and possessions of the passengers were burned, it said.

Number of Japanese Tourists Drops for 2d Year

SK0207032893 Seoul YONHAP in English 0127 GMT 2 Jul 93

[Text] Seoul, July 2 (YONHAP)—The number of Japanese tourists, who account for the bulk of foreign visitors to South Korea, is dropping sharply for the second year in a row, the Korea National Tourism Corporation (KNTC) said Friday. KNTC's tentative estimate showed that the number of Japanese tourists who visited Korea in may this year totaled 106,300, down 7.5 percent from the same period last year.

For the first five months of this year about 481,200 Japanese visited Korea for sight-seeing, off 11.9 percent from the same period a year earlier when 546,300 Japanese visited.

KNTC officials attributed the decrease mainly to Japan's lingering economic slump and Korea's soaring prices of commodities.

The number of Japanese tourists began to decrease from April last year, except for August when a large number of Japanese couples attended a joint wedding held here by unification church. A total of 1,398,600 Japanese visited South Korea in 1992, down 3.9 percent or 56,500 from 1991.

UPP's Pak Chol-on Denies Receiving Bribes

SK0607122393 Seoul YONHAP in English 1135 GMT 6 Jul 93

[Text] Seoul, July 6 (YONHAP)—Rep. Pak Chol-on of the United People's Party [UPP] totally denied the prosecution charge that he had received a large amount of money in bribe from a slot machine businessman, at the first session of his trial at the Seoul district criminal court on Tuesday. Pak is under suspicion of receiving 600 million won in cash and checks from Chong Tok-il, the brother of slot machine magnate Chong Tok-chin, in October 1990 in return for his influence in easing tax office probe into the slot machine business.

"I was never asked by Chong to use my influence over the tax office nor have I received any money from him," Pak said. "It is unthinkable that I, who had been in public service for about 20 years, took such money."

Claiming that his trial is the product of political reprisal, Pak said he expects that the conscience of the juridical branch and the people will shed light on the "frame-up" against him.

About 400 supporters of Pak witnessed the trial. They included UPP solons, other party officials and local chapter officials of his constituency at Taegu Susong-A.

Brunei, Malaysia & Singapore

Malaysia

Military Observers Leave Cambodia 7 Jul

BK0707072093 Kuala Lumpur BERNAMA in English 0413 GMT 7 Jul 93

[Text] Kuala Lumpur, July 7 (OANA-BERNAMA)—Twelve Malaysian army officers left for Phnom Penh Wednesday, by commercial flight for a three-month tour of duty as military observers with the United Nations Transitional Authority in Cambodia (UNTAC).

Ten military policemen and two administrative duty soldiers, also to serve with the UNTAC, were on the same Malaysia Airlines flight.

The military policemen and two soldiers would be deployed to the headquarters of the UN Malaysian battalion in Battambang.

Colonel Ahmad Rodi Zakaria, who led the officers and men, said the military observers would be assigned to Phnom Penh.

There are now 29 Malaysian officers serving as military observers in Cambodia, he said.

No Decrease in Thai Trawlers Poaching Fish

BK0407052093 Bangkok THE NATION in English 4 Jul 93 p A2

[Text] The number of Thai trawlers poaching fish in Malaysian waters has not decreased despite Kuala Lumpur ordering stringent law enforcement over the past few years, according to Malaysia's National Security Council.

A naval officer attached to the council told a group of Thai journalists during a recent briefing that on average about 2,000 sightings of illegal fishing by Thai trawlers have been reported each year since 1985. Arrests were made for between one per cent and eight per cent of the incidents.

In 1992, 70 vessels out of 1,800 Thai trawlers seen poaching in Malaysian waters were impounded, down from 127 out of 1,453 vessels in 1991, the officer said. This year's statistics are not yet available.

"The relatively low rate of arrests can be attributed to the fact that most of the fishing trawlers are equipped with powerful engines and they manage to escape when approached by Malaysian patrol boats," the officer said.

The officer said the number of applications for legal passage Malaysia had received from Thai trawlers to fish in Indonesian waters had increased from 653 in 1991 to 2,736 in 1992.

Malaysia requires advance notice from Thai fishing vessels passing through its waters as part of measures to curb illegal fishing. Some operators of Thai fishing trawlers say they should not be required to notify Malaysia in advance when passing through the 200-mile economic zone, which is not recognized by Thailand.

Sbafee Yahya, chief of Malaysia's National Security Council (NSC), said the Malaysian government had instructed law enforcement officials to give Thai trawlers found fishing illegally in Malaysian waters the benefit of the doubt provided that they were no more than 10 kilometres within Malaysian waters.

The NSC secretary denied allegations levelled by some Thai fishermen that Malaysian naval patrol ships sometimes tried to arrest them while they were fishing in Thai territorial waters or international waters.

"When we do take action it will be against very obvious cases of illegal fishing," Yahya said. "Of course, those who have committed a wrong will say they are in the right when they are caught. They will say they are being victimized."

He said fishing vessels on legal passage through Malaysian waters must not cast their nets or they will be arrested.

The NSC chief said all Thai fishermen arrested for illegal fishing will be given a fair trial in Malaysian courts.

"Our courts are very strict. If Malaysian authorities do not have enough proof against the accused, the cases will be thrown out," he said.

Thailand and Malaysia have discussed ways to solve the problem of illegal fishing in Malaysian waters by Thai trawlers for several years. One of the proposals by Thailand is for the setting up of joint ventures in fishing between the two countries.

Abdul Halim bin Ali, deputy secretary-general of Malaysia's Foreign Ministry, said that the proposed Thai-Malaysian fishing joint ventures were being considered by Kuala Lumpur, but added that the process would take time.

He said the Malaysian government would have to take into consideration the need to protect Malaysian fishermen against competition from their Thai counterparts who were better equipped and had more experience.

"The terms of agreement must be mutually beneficial. And a joint venture must not wipe out the livelihood of our traditional fishermen," he said.

Singapore

Daily Sees Southeast Asian Arms Race Unlikely

BK0407091893 Singapore THE STRAITS TIMES in English 2 Jul 93 p 34

[Editorial: "Arms Race This Is Not"]

[Text] Observers who believe that a nascent arms race is taking place in Southeast Asia are alarmist, ignoring the primary factors at work and the differences that exist between the region and other parts of Asia. True, a process of force modernisation is underway throughout the region. For example, Malaysia this week decided to buy 18 MiG-29 air-defence fighters from Russia and eight F-18 strike aircraft from the United States, while Indonesia will be obtaining 39 naval vessels from Germany as well as a quantity of Hawk groundattack aircraft from Britain. Indonesia also seems to be on the verge of deciding on AWAC's (advanced warning and control systems) reconnaissance planes from the U.S. Meanwhile, Australia is to acquire an additional 15 second-hand F-111G bombers. Similarly, other regional states will be introducing new air and naval weapons systems. Notably, Thailand is to buy a helicopter-carrier from Spain. In line with force modernisation, defence spending has been rising quite steeply in recent years.

Yet, the introduction of new weapons systems by Southeast Asian states is aimed mainly at replacing aging equipment in order to develop a modern conventional capability after having achieved political stability and economic success. Until recently, their force structures were shaped by the exigencies of fighting insurgencies. Such internal threats either no longer exist or, as in the case of the Philippines, have diminished, enabling them to restructure their forces to perform the standard tasks of safeguarding national sovereignty and strengthening territorial defence. The 200-mile exclusive economic zone (EEZ) agreed under the Law of the Sea Convention has greatly enlarged the scope of these tasks. There are also other geographic compulsions that have made force modernisation unavoidable. Take Indonesia's archipelagic character and its territorial stretch of 5,120 km from west to east. As Defence Minister Edi Sudrajat pointed out, AWAC's offer the most effective way of protecting vital facilities spread across the eastern archipelago. Similarly, the EEZ has changed the traditional concept of coastal defence, when small patrol boats were adequate for surveillance and protection of maritime interests. Indeed, Indonesia's acquisition of 39 vessels from Germany, which includes 16 corvettes, is not considered adequate in view of its expansive territorial waters and the EEZ. Thus, the shift to more capable vessels is only a natural step.

Force modernisation is also linked to the greater financial capacities of the regional states resulting from their fast-growing economies, while new post-cold war worries are reinforcing factors. The U.S. is perceived to be scaling down its military presence in the Asia-Pacific region. Doubts have also grown about its political will to play the role of a security manager. This has meant that the regional states must strengthen their individual capabilities so that there is regional resilience to face any future crisis. These concerns have given force modernisation a deeper rationale, but the region will not be witnessing a huge concentration of armaments. It will remain much more lightly armed than other parts of Asia, especially East Asia where arms acquisition by China and Taiwan is of greater significance. Unlike adjacent regions, Southeast Asia also remains free from the threat of nuclear, chemical, or ballistic missile proliferation. The danger of an arms race will be reduced further as ASEAN grows stronger. It is now becoming the nucleus for a multilateral mechanism to help promote security and stability in the Asia-Pacific region. Meanwhile, bilateral military cooperation among ASEAN states continues to grow. An arms race in Southeast Asia is more likely to be the result of developments outside the region upsetting the equilibrium of Asia-Pacific. One such scenario is Sino-Japanese rivalry breaking out if economic issues should jeopardise Japan's security ties with the U.S. and Japan embarks on becoming an independent military power.

UK's Hurd Meets With Premier, Foreign Minister

BK0607143493 Singapore Singapore Broadcasting Corporation in English 1400 GMT 6 Jul 93

[Text] The visiting British Foreign Secretary, Douglas Hurd, says the G-7 [Group of Seven] summit must give a boost to the GATT talks. He said the prime minister, Goh Chok Tong, with whom he had discussions also said that the GATT settlement was crucial for the success of the world economy. Mr. Hurd also said the present trends toward forming regional trading blocs should not result in greater protectionism. His views were shared by his Singapore counterpart, Mr. Wong Kan Seng.

A Foreign Ministry statement said Mr. Hurd suggested that British businessmen could enter into joint ventures with their Singapore counterparts to invest in China, Vietnam, and other parts of the world. Both foreign ministers also described relations between Britain and Singapore as problem-free, but said that economic relations could be further strengthened.

Earlier, both countries signed a memorandum of understanding on a training program to further assist developing countries in their human resource development.

Australian Minister Warns Against Protectionism

BK0407091693 Singapore THE STRAITS TIMES in English 2 Jul 93 p 44

[Text] New arguments for protectionism are emerging which, if not countered, will divide and weaken the global economy, said Australian Minister for Trade Peter Cook yesterday.

Addressing a Foreign Correspondents Association lunch here, Mr. Cook said that even as the Uruguay round of trade talks proceeds towards a conclusion this year, more extreme forms of protectionist sentiment were being heard.

"It is tempting to see this startling language as simply another negotiating ploy... But there is a disturbing consistency running through some debate in Europe and North America which risks entrenching this sentiment as a populist cause," he said.

Mr. Cook said the recession in the developed countries had invited easy political answers.

"Blame others, erect barriers, stifle imports...and justify these moves by referring to the 'external threat.' This approach is a cop-out and ultimately self-defeating."

Attention was being focused on a much-feared flood of cheap imports from Asia and very little was said about the enormous markets being created in the region.

In his view, the successful conclusion of the Uruguay round would integrate the booming Asia-Pacific economies with those of Europe and North America to everybody's benefit.

Turning to the subject of the Asia-Pacific Economic Conference [APEC], Mr. Cook said Australia viewed it as a "preeminent" forum for advancing the idea of open regionalism and the means of taking trade liberalisation further.

"APEC sends a necessary signal to the rest of the world. We are not about forming trade blocs, raising barriers and engaging in interregional rivalry," he said.

Set up four years ago, APEC groups the six ASEAN countries, the United States, Canada, Japan, South Korea, Australia, New Zealand, China, Taiwan, and Hong Kong.

The minister arrived in Singapore from Japan on Wednesday on his second visit since taking up the trade portfolio earlier this year.

In Tokyo he had delivered a strongly-worded communique on behalf of the Australia-led Cairns group of major food exporters to Prime Minister Kiichi Miyazawa who will be hosting the Group of Seven summit of industrialised nations next week.

The declaration from the 14-member group attacked rich countries for protecting domestic agricultural trade from outside competition.

Daily Reports Promotions of Military Officers

BK0507130593 Singapore THE STRAITS TIMES in English 30 Jun 93 p 3

[Text] It was a double celebration for the Republic of Singapore Navy's (RSN) chief yesterday when he received his "star" on the eve of his 43d birthday.

Colonel Kwek Siew Jin was promoted to Commodore, the Navy's equivalent of Brigadier General, yesterday.

Three Army officers were also promoted to Brigadier General, or one-star generals as the rank is referred to commonly.

The three, all of whom are SAF [Singapore Armed Forces] Overseas Scholars, are: Col. Tan Yong Soon, Deputy Secretary (Policy), Col. Han Eng Juan, Commander 3d Division, and Col. Sin Boon Wah, Commander 9th Division.

They were among 512 officers from the Army, Air Force, and Navy who were promoted in this year's exercise. This is more than double last year's 239 promotions.

The Singapore Armed Forces now has 12 serving generals: Chief of Defence Force Major General Ng Jui Ping and eight Brigadier Generals in the Army, two in the Air Force; and a Commodore in the Navy.

Dr. Yeo Ning Hong, the minister for defence, presented certificates of appointment to the promoted officers at a ceremony at the Ministry of Defense Auditorium in Gombak yesterday.

Of the 512 officers promoted, 318 were from the Army, 107 were from the Air Force, and 50 were from the Navy. The remaining 37 were non-uniformed SAF officers.

Other senior officers promoted include 12 lieutenant colonels who attained the rank of colonel and five reservist majors who were promoted to lieutenant colonel.

Besides the promotions, 175 other officers received salary upgrades in their current ranks.

Among them were Major General Ng, Brigadier General Lim Neo Chian, the Chief of Army, Brig. Gen. Bey Soo Khiang, the Chief of Air Force, Brig. Gen. Wesley D'Aranjo, Deputy Secretary (Technology) and Brig. Gen. Lee Hsien Yang, Director, Joint Operations and Planning Directorate.

Speaking to reporters after the promotion ceremony, Col. Kwek said that aside from being a pleasant birthday present, he also saw his promotion as recognition for what the Navy has been able to achieve in the last year.

He added: "Being promoted is not the end of the job.

"We now have to look forward to bigger challenges, like operating from the new base at Tuas and integrating new equipment like the mine-hunters, new patrol boats, and five maritime patrol aircraft."

Cambodia

Sihanouk Addresses New Government at Ceremony

BK0307054493 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 2 Jul 93

[Speech by "His Royal Highness Prince Norodom Sihanouk, father of the nation and head of state," after the oath-taking ceremony of the Provisional National Government of Cambodia and assembly members at the royal palace in Phnom Penh on 2 July—recorded]

[Text] I would like to express greatest joy and very moving sentiments today at the achievement of our sacred objective of rebuilding peace and national reconciliation. This peace is what our people and nation first of all and very much need. We have have been searching for this peace for 23 years. During this period, despite our efforts, we failed to do so. Only in this era, which we consider as a new era in our nation's history, have we achieved our goal. We should therefore treasure this as historic when we usher in our new regime, namely a liberal democracy and parliamentary regime. This is worth considering as historic.

Excellencies, Prince Kromluong, ladies and gentlemen, and compatriots have assisted me in achieving these two objectives of peace and the new regime, which will become our country's great pride. So as not to waste any more time, I would like to go into the matter, namely advice and counsel for excellencies.

First, I would like to advise you to avoid mixing legislative and executive powers. For example, excellencies who are in the National Assembly and those who are in both the National Assembly and the government. The latter should clearly make a choice whether they belong to the National Assembly or the government, and not to both. When you are in the government, you still retain your status as people's representatives. However, once you are in the government, you should be out of the National Assembly. You are still a people's representative, still required to contact and serve the people and the electorates and to find out about what the latter want us to do. Do not forget to remain in touch.

However, we should make a clear separation of power [three preceding words repeated in French] whether we belong to the assembly, that is legislative power, or in the government, that is executive power, or in the judiciary [sentence repeated in French]. We have to really make a clear separation of power. This does not mean that once you are in the government you stop being a people's representative. You are still a people's representative. But if you are in the government, you should not hold any position among the people's representatives. This is what I would like to ask.

Furthermore, I would like to mention other things. I heard yesterday about the government's makeup. The decree I am going to sign should be drafted by Prince Kromluong and his excellency [H.E.] cochairman of the government. In this decree, we should specify that our constituent National Assembly has appointed this government. The head of state will simply sign it. There are no separate decrees appointing each of the government's members. There will be only one decree appointing the entire 60-member cabinet, including the government's cochairmen, vice chairmen, state ministers, ministers, and deputy ministers. The head of state will sign only one decree and not many. Please be informed that it was also done this way in the past.

On some matters, that is, the drafting of the constitution, I would like to inform you that I met H.E. Yasushi Akashi yesterday and talked about this. He told me that he will not interfere in this process. However, as a courtesy, I expressed our Cambodian sentiments saying that we know we are capable of drafting this constitution, but we also need UNTAC [UN Transitional Authority in Cambodia] assistance. If UNTAC is leading us on a path we cannot follow, there is no need for us to go along. We call on UNTAC as a courtesy to ask for its clarifications and views in the drafting our constitution since this is the highest law of the nation and motherland. So, we will call on UNTAC.

Venerable Khousananda is also happy to contribute; we will also listen to his guidance. I do not believe that we would face any problems because our principles are clear, for example concerning the full respect of human rights and our attention to what women especially want [chuckle]. Women ought to be listened to also if they send a delegation to see us men. In the government I think there is only one woman, from what I saw yesterday, Mrs. Kanitha, a pretty name. My aunt's name was also Kanitha. My congratulations.

In the era of the Sangkum Reas Niyum [Sihanouk's former political party], there were only 20 cabinet members, but there were three or four women. Now it seems that we men have included too few women. This is not a criticism. You had better watch out for troubles women might give you [laughter], in case a women delegation is sent to you. Even the Prince Kromluong's wife asked that the law be specific about men being allowed to have only one wife. This is just an example [laughter]. I have already received a women's delegation. So, first, UNTAC; second, Venerable Khousanada; and third, women. I am just giving you advance warning. I am neutral.

Concerning the political program [preceding two words spoken in French], we should be very careful about this. What we have drafted, and what was read in detail by H.E. Cochairman Hun Sen, is correct. I give it my 100-percent support.

However, there are 100 and 1,000 things we must do to serve and defend our people, nation, and motherland, and to protect our nation's vital interests. We should therefore pay attention to accelerating efforts to solve some of the urgent problems. I cannot tell you all of these problems now. The following are just examples—for example, the policies on water and agriculture. These are the most important. From my experience and observations since 1941 as king, prime minister, head of state, and later on as head of resistance movements, farmers are the best citizens. Peasants are the best citizens. Furthermore, they are the overwhelming majority, compared to other groups of citizens. They make up 80 percent of our population and our economy. Whether we live and prosper depends on peasants. Therefore, we must help farmers first.

From my observation, assistance has been given by the United Nations. However, this assistance does not seem to correspond to our needs and urgency. For example, money has been provided to set up offices and pay personnel and all kinds of experts—each of whom is paid a large salary. Accomodation and transportation, even maids, are provided to these experts. The allocated budget is also fixed and used for conducting preliminary studies and research in accordance with their methodology. Another part of the budget is used for sending people, some of our Cambodian people, for study and training first. By the time all this is accounted for, the money left for really helping our farmers is almost gone—for example, the cases of the Tonle Sap and the Sangke Rivers where the water level is falling, the number of fish declining, and the silting process accelerating. These problems cannot be solved. Judging from the assistance, millions [of dollars] in aid has been provided. However, the 10-20 million was spent making all the preparations I mentioned above. By the time these are completed, there is no money left.

Therefore, can our government make suggestions to the United Nations? If the United Nations does not understand us, we should think about contacting the PRC, France, Japan, the DPRK, and so on, and countries that are willing to do the following:

In some villages, there is a shortage of water in the dry season. A 20-30 km journey must be made to bring water back. This is very difficult. If there are countries willing to assist us, there is no need to set up offices or send staff for training. Just ask them to bring over equipment to drill wells where water is needed and where water can be obtained from underground. This is how it was done in the Sangkum Reas Niyum era.

Australia—at that time it was (Noel D'Etang)—present-day Australia may not have as good an understanding as Australia did in the past. In the past I was fortunate to have a friend named (Noel d'Etang), the Australian ambassador who could speak Cambodian fluently. He knew that what I said was right. He did not bother spending money the way the United Nations is doing now. This is not a criticism of the United Nations. I praise (Noel D'Etang) on this point: He requested that motor pumps be brought in. Many of them were brought in annually and distributed nationwide. Yim Dit, who was head of the youth organization and of the team called the Prince Father Team, distributed these pumps to places where they were needed. Heads of industrial enterprises coming to do business in the country also provided buldozers which were used to help dig water tanks and reservoirs; water was then pumped into them so that there was enough water for the dry season. This is the water policy.

In 1991 the UNDP [UN Development Program] signed with me an agreement on providing assistance to rebuild 10 irrigation dams. However, from watching State of Cambodia [SOC] television, none seems to have been inaugurated yet since assistance was given. They wanted to start by setting up an office, conducting studies, and sending people for training. There might be no dams at all in the end. In the past, there was also manual work. Even diplomats were gathered by Head of State Prince Sihanouk for the work, be it digging the soil, building the railway line from Phnom Penh to Sihanoukville, or building dams in Chhuk Sar in Takeo or Veal Saoh Khyal in Kompong Cham, in Mondolkiri or Ratanakiri. We did some of the work ourselves, some with the help of the bulldozers at our disposal.

The SOC has also made efforts to follow the prince father. Prince Norodom Ranariddh, from what I saw, has also followed this model. The fronts of Their Excellencies Son Sann and Sak Sutsakhan also followed some of the prince father's methods. So, it would be good if we do it this way.

However, if we do it that way by ourselves, that will not be enough. In the Sangkum era we were relatively prosperous. We had genuine Cambodian means. We had this slogan: Cambodia helps itself. Now we must also rely on foreigners because for 23 years we have suffered greatly; a lot has been destroyed. Therefore, we must also rely on others. There will be countries that are willing to help us. So we ought to strive to get in touch with them; and if they are willing to help, ask them to do it that way, immediately.

As for replanting trees, this is very necessary because without forests a lot will be lost. For example, rainfall will no longer be regular. There will be drought and floods. When there are floods, there will be nothing to contain, and this leads to leaching of top soil, which is the fertile soil for agricultural production. This soil is drained into the Tonle Sap and other rivers.

It is a different case for the Sangke River because the Party of Democratic Kampuchea/Khmer Rouge has allowed gemstone prospecting and the soil was washed into the Sangke River. I saw this river in Battambang. The water is very muddy, even in the rainy seson; it is not as clear as in the past. Some people are facing problems in their daily life. So, the most important thing is to request water pumps... no, dredging equipment. For example, when we dredged the area used for building the Basak structures for the Sangkum exhibition center. We dredged the Tonle Sap, the Mekong, and the Basak Rivers to build new city wards. We could do this to the Sangke River. What is the benefit of doing this? The water in our rivers and lakes will become clear again, fish will be abundant, and the water level will increase, which is good. Furthermore, we will have the alluvium to make rice fields fertile.

About soil and fertilizers. According to the government's policy, fertilizers will be imported. It will be good if we have some foreign financial assistance to do this. However, it will be good if we build fertilizer factories in our country's rural areas and produce natural fertilizers which are more suitable to our soil than chemical fertilizers. In the Sangkum Reas Niyum era, I remember that chemical fertilizers produced a good yield for a couple of years only. Many tonnes of paddy were produced per hectare but only for the first crop; the soil was damaged in the following years. Care should therefore be exercised concerning chemical fertilizers. If assistance is provided, try to ask for aid to build factories to produce natural fertlizers, not the type produced by the Khmer Rouge of course; this is another type of fertilizer. It will be good if we can do it this way; we will gain a lot.

About planting trees. We do need money by selling timber. We also sold timber in the past. Trees are not banned from being felled, however, people also need to fell trees for building houses. Trees must be felled but they have to be replanted. Trees are not just felled by also replanted. Therefore, companies or nations felling trees should be forced, by contract, to replant them. If they fell trees, they have to replant them, too. People might retort that some companies do not fell trees, but only process them through sawing. Still, they have to replant trees; they must be planted everywhere.

Israel used to be a desert. Now Israel exports agricultural products worldwide in the form of various types of fruits. Even in our Cambodia, there are fruits imported from Israel through Singapore. The Israeli countryside used to be covered with stones and desert. China, which I visited for the first time in 1955, started an afforestation program. Now trees are everywhere and people are happy. There are 1,200 million people in China now. The Chinese can still feed themselves; they do not go hungry. Why? Because their agriculture is developed. Not just water policy, but also their afforestation policy is developed. Some desert areas have now been transformed into orchards with assorted produce and many kinds of fruit.

I believe that we, Cambodians, can (?surpass) the Israelis and the Chinese. If we make efforts like those people, we will reap at least the same results because we have rivers and lakes. Our soil is fertile, too, while in those countries they have only deserts and rocks. So, if we follow these countries, we will rapidly develop. Therefore, in negotiations for foreign aid, the government should strive to have countries change or alter their procedures because it seems that these procedures do not allow us to move forward quickly.

Some people, like the Americans, and countries have said this to me: What you should do is not let the Khmer Rouge convince you and the poor people into staging a successful revolution. I said: Opposing the Khmer Rouge revolution does not lie in imposing sanctions or using weapons, but in making poor people less poor and making them rich, for example making farmers rich while the urban poor are made less poor. There should be social justice [two preceding words in French]. If we can do this, this will be (?automatic).

Look at the election, despite the Khmer Rouge threats, people did not listen and went ahead to vote until they achieved victory for peace. Did the people use peaceful means or violent means? We tend to use violent means; it is futile. Even the Khmer Rouge (?were defeated). However, if we follow [words indistinct] in accordance with Buddha's teaching, Buddha was victorious through doing good deeds.

So we want to bring the Khmer Rouge to submission, and they have now been greatly subdued. It is not that they have changed their views, people like Pol Pot, Ieng Sary, Ta Mok, and Nuon Chea. There is no need for us to punish them. If they are lucky and live to be 100, let them. As long as they live, do not expect them to change their ideas. However, they are willing to be subdued now because they have to and this is in accordance with their new strategy. The people have subdued the Khmer Rouge by going to vote despite the threat of being killed.

However, the citizens insisted on voting despite the threats. Since the election, the Khmer Rouge have been subdued. Yesterday, H.E. Chan Youran came to see me and also thanked me for setting up the National Assembly, national reconciliation, and the government. The Khmer Rouge did not just say: Now that things have turned out this way, we are not going to argue. They instead expressed thanks and congratulations. They have changed their policy, not out of sincerity, but due to their changed strategy.

So we must be careful about the more than 80 percent of our population who so much need our service, with the greatest reforms being in the policies on water and afforestation. About the trees—at times I have been seriously reviled because of the lack of rain or because of floods. These are all blamed on the Prince Father; I was at the receiving end. It was very heavy [Sihanouk laughs]. So, help the Prince Father. Helping me means helping our people, our peasants. Thank you in advance.

Now I would like to talk about other issues. In the area of finance we are poor because for 23 years there has been fighting and destruction. As we have just sworn, we will not sell our independence to anyone. Even though we want to be independent, there are countries that are willing to help us. However, we can also help ourselves.

Now that we have peace, we should think about tourism. Our ancestors have left us the Angkor temples, Cambodia's glory. This is like a golden treasure for tourism. The SOC has already restored the traditions of the Royal Regatta with lots of fireworks in Phnom Penh. Phnom Penh is worth visiting; it is beautiful. There is the Royal Palace. Let people come and visit the palace, the Teveavinichhai Throne Hall, the Preah Kev Morakot temple, and the Vat Phnum. However Angkor Wat is the most important. So we have to restore and expand tourism. This will bring us a lot of foreign currency. We must expand airports with planes coming and going.

safely bringing tourists and we should have all the amenities, that is, electricity and street lights to facilitate traffic. In this connection, if we do not have enough money we should imitate the SOC. In my opinion, we should sign contracts, say, with the Americans, French, Japanese, or Thais for them to help us reorganize Kompong Som-Sihanoukville or Siem Reap or Phnom Penh, permitting them to build facilities, such as airports and seaports. Let them help us build these facilities and then have them sign contracts with us to manage them. In this way, they will have to pay us taxes. Let them make some profit, of course, because they will invest their money to build not only hotels but also airports and so on. In so doing, we could earn considerable funds, provided we have peace.

And we should be happy, for I have agreed to let the Khmer Rouge come and stay near us as long as they give us peace. If we have peace we can do whatever we wish and we will be successful in all our enterprises. And this success can be achieved very quickly.

H.E. ex-Prime Minister Lee Kuan Yew of Singapore, a very close friend of mine, told me: Prince, when it is time to build your nation again, it will take nine to 10 years before it becomes as developed as in the time of Sangkum Reas Niyum.

However, it seems to me that your Prince Father will not have much time to live. I give myself four more years. So, you should work hard now that your Prince Father is still alive to help you out. Let us work as hard as possible so that in the next four years we can develop our country, of course, not to the level of Sangkum, but not too far behind, making use of many methods. Under Sangkum, we said: Cambodia relies on itself. But now we have to contact foreign countries and get help from them. We should let them help us to a certain extent. Therefore, we should make use of the potential left behind by our ancestors, such as the monuments in Phnom Penh, nice festivals like the Royal Regatta, and especially the Angkor temples. Let us capitalize on these assets. These national treasures will surely benefit the citizens. The citizens get jobs thanks to tourism. Those from the handicraft industry, those from the fine arts, the dancers and so on, all can benefit from tourism.

I would like to tell you about Sihanoukville in the time of Sangkum, that is, before I was illegally deposed by the Lon Nol group. We considered turning it into a free port [preceding word repeated in French]. We can revive this idea. Of course, this cannot be achieved right away; it might take years to do. However, if we start making arrangements now, maybe other countries will bring their industries into the region, thus generating much employment and technical know-how for our country. The free port was one of the finest initiatives. H.E. Deputy Premier Keat Chhon himself witnessed what I did concerning that idea. H.E. National Assembly Vice Chairman Ing Kiet was also among the prime movers, and and H.E. Son Sann also gave a helping hand. So, please, inquire to see whether the idea remains feasible.

You can see that Hong Kong is very prosperous. However, in 1997 Hong Kong will be returned to the PRC and the PRC is communist despite the fact that she has widely opened herself to the outside world. Nevertheless, she remains communist and some companies have already fled to Canada, Singapore, and so on because they are afraid of communism.

Communist China has behaved very well. She is unlike Mr. Pol Pot. She has comported herself very correctly. Nevertheless, people are afraid of communism. What I have said is not a criticism against China, who has been extremely successful in her work. At present, China is very prosperous. Not only Hong Kong, but also Shanghai, Shenzen, and other zones in China have prospered because of foreign investment there.

Foreign firms used to invest in Singapore. But investment there is becoming difficult because Singapore is full now. It is full everywhere; only we remain pristine. And we have countless islands which are also our assets. If you go to Hawaii or Tahiti now, there is pollution everywhere in the air and in the cities. This is bad for your health. People are now looking for pollution-free places that are unspoiled, safe, comfortable, and quiet like our islands at Kep or Kompong Som. These islands are all beautiful and they are sources of income. What I ask you not to do, what I urge you to avoid, is hurting the poor people, the majority of the citizens, the peasants who make up more than 80 percent of the population. Do not impose taxes on them. Let us try to raise money from other sources. Do not make our citizens pay taxes. They have suffered so much for the past 23 years, so let us not burden them any further. Let us overlook some of their activities such as the ones cited on behalf of the government and the Prince Kromluong in the political program that H.E. Hun Sen, co-chairman of the Council of Ministers, presented to Parliament yesterday, especially in the field of customs and so on. If we are bent on preventing smuggling, the people will have to pay taxes and duties. We can avoid hurting the poor citizens, the small people, by overlooking such actions.

Therefore, according to a French proverb, do not try to shoot several rabbits with a single shot [preceding proverb said first in French]. It is hard to achieve. We must put our heads together and find out what we can do to immediately and positively benefit our nation without causing pain to the small people. This is merely a bit of my advice given to you because I have accumulated quite a lot of experience since 1941. You are all my children and I want you to achieve great success to the satisfaction of our citizens. Now, go ahead and jot down the directions, the tips I have given you [Sihanouk laughs].

Here is another priority. It is not a question of making money, it is about aid and aid is there waiting for us. And if some companies want to come and do business, we should allow them to do so with profits under the condition that they must pay taxes. We are in dire need of electric power and running water. The revered supreme patriarchs themselves are very much inconvenienced by the lack of electricity and running water in their monasteries. Some precincts are also experiencing a serious shortage of electricity and running water. [passage indistinct] has done all it could. We have to admit that the SOC has tried hard, but it has finished its mission. It is now the turn of all of you who are in the coalition to take over. I repeat that the SOC has done all it could. Now, France has signed with Prince Sihanouk an agreement on the restoration of the power grids and the installation and repair of water pipe networks. We need to tackle this problem quite dynamically because it is a serious matter. Let us not waste time on nonsense. For example, some persons have voiced the desire to change the names of city streets, such as the Acha Mien and Tu Samut Boulevards. This does not mean that I side with Vietnam or whatever. I only wish to see that we do not waste precious time on triviality; let us not discuss such things. Our mission lasts only three months. In these three months, let us not consider any futile matters. Such a practice is a waste of time and not worth discussing at all because only arguments and quarrels will come out of it. Let these streets remain Tu Samut or Acha Mien. Instead we should look into the question of getting the power and water to run again, should we not?

I ask you to forgive me if I make any indiscretions. I am talking as your parent and nothing else. I am near the end of my speech. We tick off each topic that we have already dealt with and only a few remain. It is almost over. We have ticked off quite a few [Sihanouk laughs].

Now, allow me to talk about our debts. I should not be the one to owe what you call subscription [preceding word in French], the annual contribution in our capacity as a member of the United Nations and of several other organizations, such as the World Health Organization and many, many others. Each organization requires that member states pay subscription fees. But in the past we did not pay them. So, we owed a lot under Lon Nol and also under Mr. Pol Pot. Later, the SOC had a heavy burden to shoulder and it, too, ignored payment. Now, failing to be paid by others, they are asking me to pay our dues. Do they think that Sihanouk is a billionaire or what? Presently I survive thanks only to the PRC. The PRC feeds me and I would like to take this opportunity to tell you that you should not worry about giving me a salary or remuneration. Do not worry, China is feeding me, with no strings attached, of course. I do not serve the PRC. They have respected me for a long, long time, since the days when most of the world was against China and I always defended her. They are grateful to me. Therefore, do not worry about me or my housing, family, and staff. I have no problems in these areas.

So, they are asking us to pay our dues and they threaten that if we do not pay they will withhold our voting right. The government should tell them that we are poor and they can go ahead with their threat to withhold our voting right. This is because, I swear to you before the Throne, voting can only bring us perils. So, if they withhold our voting right, we only stand to gain. In Cambodia, it is wrong to withhold the citizens' right to vote. It is a serious crime to prevent the citizens from voting. The right of the citizens to vote must be respected. Our citizens have decided that there will be an election every five years. This decision must be respected.

However, it is dangerous for us to vote in the major organizations. Why? Because:

1. Suppose the post of director of an organization is vacant and India asks us to vote for her, an Arab country wants us to vote for it, some European countries also want our backing, or sometimes rival European countries need our support. Then to whom should we give our vote? If we vote for one, we can be sure to make six enemies. Now, if our voting right is withheld, does it not mean that we are free, that we have no enemies? We can tell them this: Sorry, we want to vote for you but we no longer can, for our voting right has been waived. So, we can get out of it unscathed. [Sihanouk laughs].

2. Suppose the United States and Palestine are at odds and the United States puts pressure on us not to vote for Palestine. Then we will find ourselves in a difficult situation. This also can be said of the aid issue that we have already discussed. Suppose the United States gives us this or that aid. Although we are independent, if the United States then tells us not to vote for Palestine or we would lose U.S. aid, or if it tells us to vote for Israel or something like that, then it will be a tough situation for us.

So if they threaten to suspend our voting rights, let us just tell them that it is no big deal. It only means that we have no voting rights, period. There is no need to threaten us; if we have no right to vote, we are not going to vote. That is all.

However, if Your Royal Highness Prince Kromluong, if all of you, Excellencies, Madames, and my children, want to keep the voting right, then keep it. But you must get the money to pay our dues. Do not let them ask Sihanouk to pay. If they insist, excuse me, from now on I will send them to the co-chairmen [Sihanouk laughs] and have both of you find the money. In trying to get the proceeds, we must beg. We are Buddhist, we know that Buddhist monks always beg for subsistence. We must beg from anyone who can help us repay our dues. Or we must borrow. Try to get interest-free loans and pay them back. So, this is the end of another topic.

Allow me to speak a little about Prince Chakkrapong and the Khmer Rouge. Some Cambodians abroad and at home have said that, according to the laws and traditions of the country, if you are involved in secession [preceding word repeated in French] and get caught, you will be heavily punished. However, not only does Prince Sihanouk not punish the secessionists, he even promotes them. For example, they say, Chakkrapong got four stars. Concerning this four-star thing, for many years Chakkrapong served the Sihanoukist Army—ANS—without receiving any promotion. He was stuck with only two stars. I thus gave him three stars. He protested. He said: Dad, I have not been promoted for years, eight to be exact, while other, younger officers have and are now above me. Dad, you should give me justice. So I gave him four stars. This promotion thing is thus old business.

Second, to be frank, after declaring the secession, both Chakkrapong and Sin Song returned to the fold right away when your Prince Father, with the assistance of H.E. Hun Sen, made this call: Children, stop the secession and come in immediately! They returned immediately without any protest. For that, we should reward them. What else do I have to give? I do not have any money except these stars. H.E. Son Sann must excuse me. When we waged the resistance, I doled out quite a lot of stars to my resistance fighters. For that, the factions of H.E. Son Sann and H.E. Sak Sutsakhan even threw sarcasm at Sihanouk's FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] side, saying that the prince was very good at scattering stars all over the jungle. Later on—Samdech must forgive me—the factions of Samdech and H.E. Sak Sutsakhan also picked up the practice of distributing stars all over the jungle.

There are many stars in Phnom Penh and many stars in the jungle. We Cambodians like stars. If we look up we can see a lot of stars, too. We only imitate Lord Indra and Lord Brahma. They love stars and so do we. And there is even a star on that TV camera. So even here there are stars. We see stars everywhere. Therefore, Sihanouk should not be criticized, for these people have already given up secession.

Let us recall Dap Chhuon, Put Chhay, Prince Chantarangsei, and Mr. Siep of the Khmer Issarak insurgency. The Khmer Issarak were rebels, bad insurgents. I promised them ranks and titles if they returned to the fold. I kept my word. I rewarded all of them, the whole army when it rallied within the framework of the royal crusade for national independence. At that time we were strong because we were united just as we are today. We are strong again because we are united. This union is marvelous. For this reason, I have agreed to give this land to the Khmer Rouge, to allow them to stay for the next couple of years. I am not buying or bribing them. I am doing what is needed to be done for the sake of peace in the nation. And so, I gave stars to Put Chhay and Dap Chhuon. Dap Chhuon was even promoted to full general before he became a traitor. I also gave stars to Prince Chantarangsei. I did all of that so that the citizens could live in peace. I think first of our citizens, of our nation, never of Sihanouk. I never seek benefits for Sihanouk. Therefore, I ask the venerable ones and our citizens to make a correct judgment, for what I have just done is for the interests of the nation. It is the same as what I did concerning Put Chhay and Dap Chhuon in the past.

Now, only two more topics remain to be discussed. Concerning the Khmer Rouge, I have already said something. There is no need to say more. I only want to inform you that they have asked to become simply a political party. When Mr. Chan Youran and Mr. Teap Ben [as published] called on me yesterday, I asked them whether they were pleased with the Prince Chakkrapong issue. He is no longer a secessionist, I told them, but you still are [Sihanouk laughs]. Yours remains an autonomous zone. However, from my probing it seemed to me that the Khmer Rouge wish to join the government first. If they are allowed into the government, they will hand over their autonomous zone to the government. Then, there will no longer be a partition [preceding word in French], a division of the country. However, if we let the Khmer Rouge in, the Americans will oppose us and stop helping us. Australia, France, and so on will also stop helping us.

So, in my opinion, we should maintain the status quo for the time being. I think we just have to be more accommodating with them. I have told them they should give up their autonomous zone, consider being reintegrated into the rest of the nation, and behave like others. H.E. Hun Sen and his CPP [Cambodian People's Party] have done that. HRH Prince Kromluong, H.E. Samdech Son Sann, and H.E. Sak Sutsakhan have also done that. Only the Party of Democratic Kampuchea remains to behave like others. However, I do not know whether they will accept that or not. Nevertheless, we must be more accommodating, we must treat them more kindly and one day we will recover their autonomous zone.

As for their asking to join the government, it is a difficult question. It is much easier for them to join the national army. According to HRH Prince Kromluong Norodom Ranariddh, it is possible for them to join the national army. However, we must still be circumspect. What will we do if the aid donors insist that they are not going to give us money if the Khmer Rouge join our army? Foreign countries seem to be more wary about that than we Cambodians. I mean no criticism here. But it is a fact that they are more wary than we Cambodians. More and more Cambodians now hold that it is preferable to have national reconciliation by allowing the Khmer Rouge to join. But foreign countries such as the United States, France, and Australia cannot understand that. They do not understand and they insist that if we let the Khmer Rouge in they are not going to give us aid.

So, concerning the autonomous zone issue as well as the government and army issue, we should tread very carefully. [words indistinct] because getting peace for our respected and beloved citizens is our supreme duty.

After this topic, here is the last one. I would like to inform you, venerable ones and respected and beloved compatriots as well as all my brothers and children in this Teveavinichhai Throne Hall, that yesterday I debated to justify the extended presence of Mr. Akashi and UNTAC, who have worked so hard to help us. I hope that Samdech, Your Highness Prince Kromluong, Your Excellency Hun Sen, Excellencies, and Madames would be more understanding toward me in making the decision to request their presence until your Prince Father returns from Beijing. Say, if I return from Beijing on 15 August or maybe on 11 August—I am not yet sure how long I will be in China for the Chinese doctors have asked to diagnose me—however, I will return immediately after 15 September, or on 8 or 7 September, I do not know, to make efforts to help you to set up the government [words indistinct]. I told them.

Legally, they [UNTAC] say I can stop them from 28 August. They are going to stay for three months. The last day of the election was 28 May. One month had passed by 28 June, two months by 28 July, and three months by 28 August. I said we are not rushing you to leave. Please stay with us and celebrate with us the era in which we return to full independence when you no longer control us, from 29 August. You are invited to be our guests of honor to stay with us [words indistinct] head of state elected by the National Assembly or offered if Sihanouk or someone else is wanted. A new government will be set up. If the current government is doing a good job, maybe it will be reappointed. That is up to the National Assembly [words indistinct].

So UNTAC will stay with us until August, September. They will be our guests but at their own expense. They have told me they will gradually send their troops back. There will be very few troops left by September. They have asked if once they finally leave they can leave behind a permanent representative here. This is what Butrus Butrus Ghali wants.

Furthermore, our people [words indistinct] comfortable; they say with UNTAC around they are comfortable.

I think that after UNTAC leaves there should be a permanent UN mission. Currently we do not have an embassy accredited to the United Nations; we only have a Cambodian permanent mission to the United Nations. Therefore, we will have the same here, a permanent UN mission to Cambodia, with the status of a diplomatic mission, but a special one [words indistinct] special status, for the representative of Butrus Ghali. This is all right, but he will not sit next to Sihanouk. Now Akashi can do this because he is in charge of our country. But once his mission is finished, he is the (?special) guest of the head of state [passage indistinct] want to leave some observers behind—for example, some troops along the border with Vietnam, Laos, Thailand. These troops are not left for the purpose of controlling us; they are only observers.

I said it is all right as long as there are not too many of them. But be warned: If these troops are left behind I will use them. In what way? They will be asked to supervise our border with Laos, Thailand, and Vietnam. This is not because we think that our neighbors will move border markers into our territory. Let's put it this way. Due to heavy rains, border markers will be moved by the eroding soil. The border markers then get loose and move inside our territory due to the rains [Sihanouk laughs]. The cause is very heavy rains flowing into Cambodia. We will ask them to check the maps of Vietnam, Thailand, and Laos with us. [passage indistinct] So be warned: If you stay as observers, I will use you.

I would like to end here. Thank you very much. That's all. [words indistinct] [applause]

If you have any views or ideas you want to express, I am happy to listen before I leave for Korea and China. I will be back in September. If you have something to say, please do not hesitate. Go ahead. [indistinct passage]

[Largely indistinct recorded passage with (?Son Sann) wishing Sihanouk (?a good trip and a quick recovery during his medical treatment in China.)] [applause]

Thank you for the good wishes. [passage indistinct] full independence for our country and achieve national reconciliation for our people. The fact that we chose 9 November 1953 is a (?national) pride [passage indistinct]. That date 9 November 1953 is a good one. Thank you for this. On 9 November we will celebrate the 40th anniversary of our nation when we get back our independence and are united and glorious again in the national and international arena. This is a great source of pride for our entire nation. This is very good. We have peace again.

And we hope that the Party of Democratic Kampuchea will also celebrate with us and not create troubles for us [chuckle] [words indistinct] now that you have changed, please be this way forever, and do not just do this as a tactic. Please genuinely change. This way we will certainly develop. Thank you very much.

Is there anything else, children? [words indistinct] [laughter] I am sorry for [passage indistinct] in many ministries. [passage indistinct] If H.E. Ing Kiet returns to the National Assembly side, he can do so, but now that he is needed to be deputy prime minister, or minister [words indistinct] to avoid confusion.

Our National Assembly is not like others. We are a liberal democracy. We are different on this point. For example, in France they are not as united as we are. They have an opposition party [two preceding words spoken in French]. We do not have an opposition party. It is a mandate that our people have given all the parties—big, medium, and small. There is no opposition party in the National Assembly. We should be careful about this. We say we are a liberal democracy. Therefore, we should avoid collusion between the National Assembly and the government. The two should not collude with each other. The National Assembly should be separate from the government. Even if you are in the same party, you should be separate from the government. [passage indistinct]

Is this not so, excellencies? Otherwise, our people will not be comfortable. Therefore, we should dare (?criticize) [words indistinct] interpellate. In France if the Socialist Party loses it will vigorously oppose the rightist government. This is called a liberal democratic regime.

In our case, we must (?stay) because we are from the same party. However, we should also exercise our role in order to be a proper National Assembly. In the United States, too, it is the same, as you are well aware. There is a separation of powers. Either the Republican Party or the Democratic Party will be in power. If one is in power, the other will be in the opposition. Opposition does not mean fighting a warm war, only checking each other. We should also have this. This is good.

And if there is television, we should not ban televised debate programs [Sinahouk laughs]. [passage indistinct] I heard that H.E. Cochairman Hun Sen gave reasonable answers. If we strive to eliminate questions, people outside will also want to know, including the head of state. This song is also nice to hear. [passage indistinct] I only want to follow events. [passage indistinct] This is useful. [passage indistinct]

UNTAC wants to stay with us. Let it stay. However, it should change from being an authority. I suggest that UNTAC change into a permanent mission. Its mandate is a diplomatic mission, a special one. Therefore, we will not put it among the diplomatic corps. It will remain special, as a guest. At a ceremony, it will be the guest of Excellencies Chea Sim and Heng Samrin, and so on. It will be our guest and not in control of us. If it wants to control, it can control the UNDP, UNICEF, and UNESCO, and so on [words indistinct]. Go ahead and control these UN organizations. UNTAC said thank you for this. Go ahead, control your own people, not us. [words indistinct] request the presence of observers even along the border. I said: Go ahead, do it. We are not Hitler who plotted the Versailles Treaty and launched attacks against others. No, we are not Hitler. [words indistinct] but when I need you, I ask you to help check the maps and the movement of border markers. [passage indistinct].

I do not want to chase the United Nations out, because we are a member of the United Nations. Why would I want to chase the United Nations out? However, I also want independence for my nation.

[passage indistinct] There will be a new government after 10 years. The SNC [Supreme National Council] will also end. The life of the SNC is equal to that of UNTAC. UNTAC and the SNC are twins; they were born from the 23 October 1991 Paris agreement. Therefore, if UNTAC ends, the SNC also ends. Therefore, there will be only the National Assembly, the head of state, and the government who fully represent independent Cambodia.

Therefore, I think this independence should begin from 29 August because [passage indistinct] exactly three months, [words indistinct]. After that, out of affection for us UNTAC can stay with us until September as our guest. What will happen after September? I said after September it will become a permanent mission, a diplomatic mission, with some observers. However, these obervers will not venture into Thailand, Laos, and Vietnam. They will remain in our country.

In my view, it is all right for observers to stay. These are like foreign reporters who are also observers [words indistinct]. They also have their eyes and ears open. If we do not allow observers [passage indistinct] (laughter). This is my view. If the Prince Kromluong and his excellency do not object, I think some observers should be allowed. Also according to interviews conducted among our people, our compatriots say they are comforted by the UNTAC presence. Some criticize UNTAC but others like UNTAC. So let there be some observers, as long as there are not too many. This is up to the Prince Kromluong and his excellency the cochairman to set the limit, 10 or 20, and not [laughter]. [passage indistinct] to our benefit because they are also tourists. This will also benefit some of our compatriots. This is up to you to decide.

I said this because I do not want them to think that we are ungrateful since they have said they have spent $2 billion to bring us here and now we are discarding them. I said: No, we are not discarding you. We are grateful to you, but we need our independence back [Sihanouk laughs]. How can we celebrate the 9 November independence day if UNTAC is still controlling us? Not the old UNTAC but the new UNTAC. Whether it is a big or small UNTAC, it is still controlling us. So I said [words indistinct] let us put an end to this on 28 August. After that, UNTAC will stay on for one month as our guest. From October, UNTAC's status will be that of a permanent mission, like an embassy. We also have a permanent Cambodian mission at the United Nations. So this is an exchange. We send our delegation there; they send their mission to our country. This is normal. So if you do not have any objection, let us do it this way.

Yesterday Mr. David Burns of England requested an audience with Your Highness to get an idea of what you are going to do with the question of a permanent mission. Now, have you answered the resquest? Has he called on you yet? I told him I had no idea of that permanent mission issue when he came and asked me.

I would like to inform you that from now on when some diplomats come and ask me questions, I will refer them to the cochairmen and the ministers concerned. Let us stop the practice of allowing the ambassadors to come to Sihanouk every time they need a clarification. First, this is because Sihanouk is old and [words indistinct] for example do the ambassadors to France call on Mr. Mitterrand everyday? That is unlikely.

And there is the bad habit in our country of going over the head of the government, ignoring it by contacting the head of state. Let us change all of that and do things the way they are done in other countries. Stop allowing these ambassadors to go straight to the head of state for even the most trivial matter.

Second, although our Parliament, our Constituent Assembly has appointed me legitimate head of state, some countries still do not recognize me as head of state, insisting on addressing me as chairman of the SNC.

What will happen when the SNC is dissolved and completes its functions next month? If they do not recognize me as head of state, can they stay on as ambassadors? In my opinion, they cannot. This does not mean that I am being vengeful. According to international law, they cannot stay on if they do not recognize the head of state. We would have to close their mission to the SNC. When the SNC expires, will they have any right to stay on? No, they will have to close business.

But some others have recognized my position as head of state. They have presented their credentials appointing them as ambassadors [words indistinct]; these may stay on. But some countries still have not recognized [word indistinct] they recognize only the SNC. Thus, when the SNC ends they will also end their presences. If it wants to stay, it will have to recognize our country as a fully independent country and Sihanouk as the legitimate head of state. Only when their heads of state recognize all these facts and appoint them as ambassadors extraordinary and plenipotentiary will they be allowed to stay on. Otherwise, we cannot accept it; we will have to close their missions. Therefore, these ambassadors must make appropriate preparations either to leave or to stay. [Sihanouk laughs]

Thus, Prince Sirivut should give them prior notice. Do not give them the excuse of ignorance. Tell them they have the freedom of choice between leaving Cambodia or presenting their credentials to the Prince Father. In a liberal democracy, you have free choice. [Sihanouk laughs] You have the freedom to choose which language you want.

Besides these matters, I believe everything is in place in our country now that we have the government. About this government, let me tell you now that in the future after we promulgate the constitution we will have to form a new government. In my opinion, the cochairmen [words indistinct] the four parties to be represented in the government to create harmony. This is only my personal opinion. We can have peace if we continue the present formula. Maybe we can make some changes in the lineup but we should keep all the parties [words indistinct] To keep or to change is all up to you. Your Prince Father is neutral. While you make these decisions I do not want to know anything. Your Highness Prince Kromluong and Your Excellency [words indistinct] because I am neutral. I love all of you equally. It is all up to you to decide which formula you want to use in forming future governments and allocating the portfolios. In my opinion, I think that the present formula is good because it brings about peace and harmony.

Please do you have any other questions? Is this all? Yes, [talking to somebody in the audience] let our cochairmen take charge of the issue concerning UNTAC and its equipment. The SOC has contributed a lot. It has given residences and so on. When they leave they will have to return them to our state. They will make compensation. Even the big building will have to be returned to us. Because we only lent it to UNTAC. They have housed their permanent mission there. It will have to be returned. The United Nations has money. It can build a new residence or rent an office under its embassy.

In my opinion, the big building will be occupied by the government. The UNTAC headquarters will be occupied when UNTAC leaves. The main building near Phnum Don Penh will be returned to us by September or October. They can sell or exchange the buildings they have built themselves. As for the residences we lent them, we can ask for the return of the premises. If they have bought them with their own national budget, then they should be allowed to keep them. [words indistinct] it all depends on their generosity. And they might wish to donate them, say, to the educational or communications or telecommunications sectors. We accept all their wishes. If those materials belong to them and they wish to take them home or sell them, we have no right to forbid them. Yes, they must pay taxes. [words indistinct] we therefore must correctly reorganize the taxation and customs services. [words indistinct] everybody has to pay taxes, except the poor. The poor must not pay taxes. [passage indistinct]

Sihanouk Invites Investors for Economic Zone

BK0407110593 Singapore BUSINESS TIMES in English 3-4 Jul 93 p 3

[By Harish Metha in Phnom Penh]

[Text] Singapore and Hongkong investors should seize the opportunity to invest in the development of a proposed duty-free economic zone in Sihanoukville port, about 180km south of Phnom Penh, said Cambodian head of state Prince Norodom Sihanouk.

Addressing a combined gathering of 120 newly-elected assemblymen and the entire Cabinet of the new Provisional National Government of Cambodia, Prince Sihanouk, speaking in Khmer, said that during his rule in the 1960s he had wanted to build a duty free economic zone in Sihanoukville port, but he regretted his idea could not become reality as he was overthrown in a coup in 1970.

"My good friend, former Prime Minister of Singapore and now Senior Minister, Lee Kuan Yew, once told me that after peace comes to Cambodia, it will take us just 10 years to recuperate and start reconstructing our ravaged economy," he recalled.

"The good results of a duty free economic zone can be seen in Singapore and Hongkong," the prince said, referring to Singapore many times in his two-and-a-half-hour speech that was totally off-the-cuff.

Prince Sihanouk said Hongkong will be taken over by China in 1997, and that there is a great deal of panic among Hongkong businessmen over the future of the crown colony. "But that doesn't mean that Chinese policies are bad," he said.

"Sihanoukville will be the ideal place for Hongkong investors who are looking for new investment avenues," he said.

Foreign investors have committed about US$600 million (S$972 million [Singapore dollars]) in Cambodia. While Thai firms remain unshakeable as the biggest investors, a few Singapore firms have already spotted the potential of doing business in Sihanoukville, which is the centrepiece of the government's economic thrust.

At a glittering swearing-in ceremony at the chandelier-lit main hall of the magnificent Royal Palace, Prince Sihanouk held court, speaking on a wide range of national issues while the entire audience listened rapt in silence, occasionally bursting into laughter at the prince's touches of humour.

Prince Sihanouk said that he decided to promote his son Prince Norodom Chakkrapong to a three-star general after he abandoned his secessionist plans last month, and returned to the capital. "But Chakkrapong, who was earlier a two-star general, told me that he wanted four stars because he had not been promoted for many years," Prince Sihanouk said.

"So I made him a four-star general to keep him happy. I only have stars to give away, I have no money to give away," he quipped.

Prince Sihanouk told the gathering that during his meeting with Khmer Rouge representative Chan Youran on Thursday, he proposed that the guerillas should return the land they control to the government.

The Khmer Rouge controls about 20 per cent of the country from their headquarters in the gems-producing town of Phailin. But the guerillas have not yet responded, the prince said.

While Prince Sihanouk is pressing the Khmer Rouge to return to the fold, the United States is opposed to the guerillas playing any role in the Cambodian government. "If we let the Khmer Rouge join us now, the US will not give us aid," Prince Sihanouk said.

U.S. Ambassador to UN Arrives for Visit

BK0607144293 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 6 Jul 93

[Text] At 0900 on 6 July, Mrs. Madeleine Albright, U.S. ambassador to the United Nations, arrived for a one-day visit in Cambodia.

During her visit she will pay a courtesy call on His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Council [SNC]; and meet with His Excellency [H.E.] Yasushi Akashi and UNTAC [UN Transitional Authority in Cambodia] officials; Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, cochairmen of the Provisional National Government of Cambodia; and UNTAC's Japanese peacekeeping troops in Cambodia. Before the end of the visit, she will hold a news conference at Pochentong international airport for local and foreign media on the significance of this visit.

Greeting the delegation at Pochentong airport were many leading officials of the Cambodian Foreign Ministry; H.E. Charles Twining, representative of the U.S. mission to the SNC; and many UNTAC officials.

Khmer Rouge Capture Preah Vihear Temple 7 Jul

BK0707113493 Hong Kong AFP in English 1108 GMT 7 Jul 93

[Text] Phnom Penh, July 7 (AFP)—The radical Khmer Rouge have captured the world famous Preah Vihear temple in the north of Cambodia on the border with Thailand, the co-president of the country's new interim government Hun Sen said.

The temple came under attack around 5:00 A.M. Wednesday, U.N. spokesman Eric Falt said.

A group of about 20 former Phnom Penh government soldiers were stationed at the temple but withdrew when the guerrillas attacked.

"We moved our forces away from the temple because we try to avoid attacking the Khmer Rouge because it would damage the temple," Hun Sen said.

Indonesia

Suharto Leaves for Tokyo as NAM Head

BK0407050093 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 4 Jul 93

[Text] President Suharto in his capacity as chairman of the Nonaligned Movement [NAM] left for Tokyo this morning. Here is a report by RRI Correspondent Joko Saksono on the president's departure from Halim Perdanakusuma Airport:

[Begin Joko recording] A special DC-10 aircraft belonging to Garuda Indonesia carrying President Suharto and his delegation took off from Halim Perdanakusuma Airport at 0640 West Indonesian Standard Time [3 July] on the way to Tokyo, Japan. [passage indistinct] (?Among those in the delegation) were Minister and State Secretary Murdiono, Foreign Minister Ali Alatas, and Prof. Dr. Wijoyo Nitisastro, the government's economic adviser. The presidential delegation is scheduled to arrive in Tokyo this afternoon at 1400 West Indonesian Standard Time or 1600 local time. This is Joko Saksono reporting from Halim Perdanakusuma, Jakarta. [end recording]

Dailies View 'Challegning' Mission

BK0307145793 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 3 Jul 93

[From the press review]

[Text] KOMPAS and BERITA BUANA discuss President Suharto's upcoming visit to Toyko from 4-7 July in conjunction with the meeting with the leaders of the seven industrialized nations, the G-7 countries. President Suharto's journey to Toyko, in his capacity as the leader of the Nonaligned Movement [NAM], is considered a challenging and difficult mission to present the aspirations of the 108-member movement.

The decision by the NAM leader indicates his determination to uphold the mandate entrusted him by the members of the movement in calling for a dialogue with the G-7. Should the NAM leader be successful in his meeting with the leaders of the seven developed industrialized nations, it would mean that he has been able to overcome the obstacle previously encountered by the French president and the German chancellor in the effort to hold a North-South dialogue.

KOMPAS and BERITA BUANA are of the opinion that President Suharto will truly carry out the heavy burden with which he has been entrusted by NAM's 108 members in projecting their aspirations. The NAM leader's attendance would also indicate a progressive step toward bridging the gap between the developed and the developing nations in the effort to develop a new world order in line with humanitarian ethics. It is hoped that more peace and better international cooperation will prevail in all aspects—particularly in the developing nations' socioeconomic development. Along with this, the wide gap between the developed and developing nations could be further narrowed, forming a golden bridge and turning the world into a more peaceful and prosperous place, which is in accordance with the aspirations of the 108 developing nations.

Significance of Visit Viewed

BK0507071793 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 Jul 93

[Station commentary]

[Text] Dear listeners! President Suharto in his capacity as chairman of the Nonaligned Movement [NAM] is now in Tokyo, Japan for talks with G-7 [Group of Seven] Chairman Kiichi Miyazawa. The president will hold talks with U.S. President Bill Clinton during a breakfast session at the official residence of the U.S. ambassador to Japan tomorrow morning. The talks between the NAM and G-7 chairmen are aimed at promoting cooperation between the developing nations or the South and the industrialized nations or the North. Officials assisting the G-7 chairman have indicated that the results of the Suharto-Miyazawa talks will be a topic of discussions during the G-7 summit meeting. As we know, Prime Minister Kiichi Miyazawa of Japan has been mandated by other G-7 leaders, who will hold a summit meeting in Tokyo from 7 to 9 July, to hold talks with the NAM chairman who represents 108 NAM members. President Suharto is expected to convey the NAM's aspirations and views to President Bill Clinton during their bilateral talks as part of efforts to open the North-South channels for the benefit of the human mankind.

Minister and State Secretary Murdiono said that although the procedural format of the visit does not entirely meet the original expectation, the NAM chairman regards the G-7 summit as a good opportunity to convey the NAM's new orientation and approach toward opening the way for a constructive North-South dialogue on the basis of partnership, mutual interests, and mutual benefits as called for by the NAM summit meeting in Jakarta last year.

Editorial Rejects Interference in Human Rights

BK0207161593 Jakarta SUARA PEMBARUAN in Indonesian 16 Jun 93 p 2

[Editorial: "Guaranteeing Human Rights"]

[Text] In his keynote address at the opening of the second World Conference on Human Rights in Vienna, Austria on 14 June, United Nations Secretary General Butrus Butrus-Ghali said the time has come for the UN to be given the mandate to be involved in giving technical aid to countries engaged in the democratization process, maintaining peace, and giving human rights protection to countries facing democratic crises. Foreign Minister Ali Alatas, who led the Indonesian delegation to the conference rejected Butrus Butrus-Ghali's message.

Alatas is not only addressing his rejection to the UN secretary general, but also to the United States. This is because in his opening address, U.S. Secretary of State Warren Christopher, who was leading the U.S. delegation, called for setting up an international court to try human rights violators and the appointment of a special UN envoy on violence against women throughout the world.

Alatas also rejects the call for international action and sanctions being imposed on countries because of issues relating to human rights in that country so that they will observe human rights. His contradiction is that "there is no place for the strong to preach to the weak." Thus Ali Alatas opposes the idea of linking the human rights issue to the imposition of international action and sanctions on certain countries. In view of that, Indonesia does not want international actions and sanctions to be linked to human rights practices in any country, including Indonesia.

The foreign minister expresses such an idea because he is adhering to the humanitarian precepts and fundamental human rights and freedoms as embodied in Indonesia's 1945 basic Constitution, which itself is a guarantor of human rights. The term human rights cannot be found in the 1945 Constitution. However, if we check it carefully, we find that there are many rights that the 1945 Constitution guarantees. Actually those rights are none other than human rights itself. For example, in preamble paragraph 1 of the 1945 Constitution, it mentions the right to independence for all nations.

Apart from that, embodied in the 1945 Constitution are clear rules on various rights which, in fact, are also dealing with the promotion of human rights. Among other things, are rights to employment and a decent living standard for every citizen, which are guaranteed in Section 27, Sentence (2). Other examples are the right to set up unions and hold gatherings, to voice ideas orally and in writing, which are guaranteed in Section 28. Likewise, the right to receive an education is guaranteed in Section 31, Sentence (1).

The observance of Human rights is universal in nature. Therefore, all nations would definitely guarantee the protection of human rights for their citizens, especially those nations that comply with the Universal Declaration of Human Rights issued by the United Nations on 10 December 1948. The only difference is perhaps in the way that each nation accepts and comprehends the term human rights. In Indonesia several rights that are actually a protection of human rights are contained in the basic Constitution. But in other nations, all sorts of rights that are actually an observance of human rights are put under other legal laws that make it different from Indonesia's.

Other than the Indonesian delegation, there are delegations from other nations that rejected Butrus Butrus-Ghali's message too. Delegates from other nations support their decision not to accept it with the excuse that individual nations already gurantee the protection and observance of human rights for their citizens.

However, the statement is not aimed at covering up what really happened in these nations. In other words, the rejection of the message is because legally the guarantee of human rights is already included in the nations' judicial system, but in reality it has not been fully implemented. When such a thing happens, the guarantee of human rights that has been included in the legal system, will only become beautiful slogans.

As mentioned above, there are various rights for the Indonesian citizens that, in fact, guarantee protection and observation of human rights, and are stipulated in the 1945 Constitution. We cannot be made to repudiate our rights to cater to other people's interests. We have to sustain all the rights entitled to all Indonesian citizens which are guaranteed in the 1945 Constitution. But it looks as if even until the end of this Fifth Five Year Development Plan we still have to fight for our rights. The right to education is one such example. Likewise, we are still fighting for the right to employment and a decent living standard.

Two Fretilin Members Surrender to Military 9 Jun

BK0107103893 Jakarta THE JAKARTA POST in English 25 Jun 93 p 2

[Text] Dili, East Timor—The Manufahi military district commander Lieutenant General Suprapto Tarman said two members of the Fretilin [Revolutionary Front for an Independent East Timor] separatist movement gave themselves up two weeks ago at Kabali mountain, 30 kilometers north of Same, the capital of Manufahi regency.

He said that Oracio, 37, and Alexandre, 50, accompanied by their families came to a military post on June 9. They were sent to their home villages in Hola Rua and Betano and were allowed to go free, Suprapto said.

East Timor Youths' Political Asylum Bid Viewed

BK0207102893 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 2 Jul 93

[From the press review]

[Text] KEDAULATAN RAKYAT believes that the East Timorese youths who have sought political asylum at the Swedish and Finnish Embassies in Jakarta are victims of political maneuvering launched by those who do not want to see the integration of East Timor into the Republic of Indonesia. Those people want to draw the attention of the world by using East Timorese youths who are studying at the various universities.

KEDAULATAN RAKYAT says these East Timorese youths should realize that their action may cost them their future. They should also understand the contents of an accord signed by Indonesia and Portugal in New York in 1977. The accord recognizes two categories of people who can leave Indonesia for Portugal. The include those who want to be reunited with their families in Portugal or those who used to serve the Portuguese Government in East Timor. [sentence indistinct]

Amnesty International, Fretilin Blamed

BK0507052093 Jakarta ANTARA in English 0357 GMT 5 Jul 93

[Text] Jakarta, July 4 (OANA-ANTARA)—Amnesty International and Fretilin [Revolutionary Front for an Independent East Timor] propagandist Jose Ramos Horta are believed to have masterminded the attempt of seven young East Timorese to seek political asylum in Finland and Sweden recently.

There is strong evidence to that effect, Director General for Political Affairs at the Foreign Ministry S. Wiryono told a press conference here at the weekend.

According to Wiryono, a number of pamphlets issued by Amnesty International and Horta were distributed by Terra Viva, the publication bureau of the recent UN-sponsored international conference on human rights in Vienna, Austria during the conference.

"They asked for my comment on the pamphlets, but I couldn't answer at that time since I had to wait for word from Jakarta," he said.

Wiryono said he suspected that the pamphlets in complete edition had been distributed earlier while he became the target of a barrage of questions by a number of non-governmental organization activists, journalists, and conference participants.

The action of the seven East Timorese was meant to embarrass and discredit the Indonesian Government, he said, adding that such action could not be tolerated.

Three of the seven, namely Florencio Anunciacao Fernandes, Jose Manuel de Oliveira Sousa, and Profirio da Costa Oliveira had asked for asylum at the Swedish Embassy last June.

The four others Mateus Brito Ximenes, Clementino de Oliveira Faria, Oscar Goncalves da Silva, and Ventura Valentim de Conceicao did the same at the Finnish Embassy. Their requests, however, were turned down by the two countries and they eventually agreed to leave the embassies after receiving a guarantee that they would not be prosecuted by Indonesian authorities.

They could be arrested only if they had criminal records, but they don't, Wiryono added.

The four East Timoreses seeking asylum in the Finnish Embassy left the embassy three days later, but the other three, who had been staying in the Swedish Embassy for several days, left the embassy only last Friday.

They were also permitted to meet the human rights activist, H. J.C. Princen, who had been acting as a mediator in the case.

The incident is the third of its kind that has occurred in Indonesia. A number of East Timorese youths sought political asylum at the Japanese and Vatican embassies in 1989. Earlier youths from the same province tried to obtain asylum from the Dutch Embassy.

Leading Dissident Sadikin Interviewed

BK0607151193 Jakarta TEMPO in Indonesian 26 Jun 93 pp 27, 28

["Excerpts" of interview with retired Lieutenant General (Marine) Ali Sadikin, member of Petition of 50 dissident group, by TEMPO correspondents Putut Tri Husodo and Robby Darmawan in Jakarta on 18 June]

[Text] [correspondent] There are many opposing views after the visit to the PAL [Navy Shipyard Industry] by Petisi 50 [Petition of 50] members. Has the Petisi 50 made an assesment on the benefits derived from the visit?

[Sadikin] The invitation to visit PAL was given in a spontaneous manner and was not politically motivated. It was an act of God. Even when I left Nasution's house (editor—where Sadikin met and received the invitation from State Minister for Research and Technology Habibie), I did not give serious thoughts to the invitation. I was doubtful that Habibie would get the green light for the visit from President Suharto. Several days later, however, (former Indonesian Ambassador to Japan) Sayidiman Suryohadiprojo phoned me, saying: "What about the invitation to visit PAL?" I replied: "It is up to those who want to invite me." Sayidiman then proposed the date and I agreed to it. He also asked me who else wanted to go. At first, I thought I was the only one that had been invited, but it turned out that other members of Petisi 50 could join me. Therefore, he was the one who had invited Petisi 50 members. He said: "What about H.R. Dharsono, Aziz Saleh, and Hugeng?" He also mentioned the names of Petisi 50 members who are former military officers such as retired Air Force Vice Marshall Suyitno Sukirno, followed by civilian and nationalist members of Petisi 50 such as Chris Siner, Key Timu, and Vakhdiat Sukardi. The Muslim members of Petisi 50 are Rajab Ranggasoli and Anwar Haryono. Continuing, Sayidiman said that General Sumitro, former commander of the Command for the Restoration of Security and Order, as well as Hasnan Habib, will also join the group.

If this trip is seen to have political implications, so be it. But if the public response is so great, it must be beyond our expectations. I look at such a public response as their aspirations for better things in the country. The public describes the event as reconciliation, but I think it is more appropriate to describe it as the process of democracy. Therefore, if the government sees me as something undesirable, it gives the impression that it does not want to accept public aspirations. This is something regrettable.

[Correspondent] It was reported that you will be invited to visit IPTN [Nusantara Aircraft Industries] and Batam Island [industrial estate].

[Sadikin] I received a phone call some time ago from Sayidiman who mentioned the visit, which will be arranged by Habibie after his overseas tour in early July.

[Correspondent] Armed Forces Commander Gen. Feisal Tanjung said there is no reconciliation with Petisi 50 yet, while the foreign travel ban has not been lifted. What do you think about it?

[Sadikin] I think the remarks are irrelevant. Feisal Tanjung himself said he sees no problem with me visiting PAL or IPTN. He spoke in parliament that it was Habibie's affair. I am not sure if there has been a change in attitude. I believe it is useful for ordinary citizens to see the fruits of development.

[Correspondent] There must be discrepancies in the remarks made by Habibie and Feisal Tanjung about you and Petisi 50. Your comments?

[Sadikin] I do not fully understand their remarks. What is important is that they should not question our struggle. Pak Nas [Nasution] was a top fighter and he was the one that led the suppression of the communist rebellion in Madiun. He was also excellent in other fields. Therefore, these young officers should not question our struggle, otherwise they may face disappointment later.

[Correspondent] Do you mean to say that the government's stand toward Petisi 50 remains unchanged?

[Sadikin] In democratic societies, is difference of opinion not allowed? Don't they understand that difference of opinion is something normal in a democracy? I do not think continued difference of opinion will lead to hostility. Even though they always talk about democracy, they actually don't understand what democracy is all about. So they consider me an enemy. My goodness! Why do they do that?

How come Nasution is also considered an enemy? He was in fact the one who had suppressed the communists during the Madiun Affair. Golkar [Functional Group] was established at the initiative of Nasution and Gen. Yani to counterbalance the communist influence at that time. How come Nasution is now accused of endangering the country. Nasution, not other generals, was the one who masterminded the concept of the military's dual function. Why is he now being persecuted? He is now 75 years old and in poor health. He has problems with his prostate. Why do his own subordinates persecute him now? I cannot stand it.

When Sudomo, Benny Murdani, and Try Sutrisno were security chiefs, they instituted a system of imposing foreign travel restrictions. I hope the younger generation of ABRI [Indonesian Armed Forces] will not continue this system. They should renounce the bad things created by the 1945 generation.

[Correspondent] Is there a shift in the government's attitude toward Petisi 50 recently?

[Sadikin] I don't know. I feel nothing and I do not think I have any enemy. If anything happens to me, the world should know who does it.

[Correspondent] Do you think the restrictions on you are being tightened or relaxed?

[Sadikin] Well, when Seno (editor—Major General Kentot Harseno, Jakarta regional military commander) launched a crackdown in 1991, I asked Domo (editor—Coordinating Minister for Political and Security Affairs Sudomo) why the authorities did it after an 11 year interval. Domo said: "Oh, it was a mistake." It is all over now and I have nothing against Seno. At that time, when Seno came to see me, he was in uniform and spoke to me politely: "Sir, I am sorry I did not see you earlier." I appreciate the positive attitude of this young officer.

[Correspondent] Is there any other restriction in addition to the foreign travel ban?

[Sadikin] In addition to the foreign travel restriction, there is still the absence of our legal and civil rights. We are not allowed to travel overseas so we cannot open our mouth there. In fact, we always speak here and we never speak overseas. If foreign journalists come to see us, we meet and welcome them.

Foreign embassy officials, including several ambassadors, have come to see me. They want to know what exactly is happening despite the fact that some of them are unfriendly toward us because they are scared and also because the government wants them to scrap our names from their list of social events. They used to invite us to their parties, but now they no longer do. The Netherlands Embassy continues to invite us. This is followed by the Embassies of France, Germany, and Britain. However, the Embassy of the United States, the champion of democracy, still refuses to invite us.

The press cannot publish reports about us. The government agencies, including the Jakarta Capital Special Region, cannot invite me to their parties. The Navy does not invite me either, even though the event is to mark the anniversary of the Marines. While it is true that I am a retired officer, the fact is that other officers are invited. One must not forget that I used to serve as deputy minister of Navy at that time.

Besides, there is also the so-called cancellation of invitation, a word coined by Nasution. For instance, a friend wants to host a wedding party for his son and he decides to invite me. If he also decides to invite the president or vice president, the intelligence auhtorities will scrap my name and cancel the invitation.

We cannot start a business because not a single bank will give us loans. I learned this fact when my son's application for a loan was rejected because he is Sadikin's son. I immediately went to see Rakhmat Saleh (then Central Bank governor), who said: "It is true that you cannot get a banking loan, but the restriction is actually for you only, not your son." This is a most serious action against me. My basic human rights have been violated.

[Correspondent] Why didn't you take legal action against those restrictions?

[Sadikin] The problem is the political system. The subversive law and other laws are only subsystems. One must start from the basic political system and correct it.

[Correspondent] Do you yourself want to have a reconciliation with the government?

[Sadikin] I am resigned to my fate and I do not want to impose my will upon others. I only pray to God for the benefit of the nation. I am sad but I lead a relaxed life. I am 66 years old, but people say I look younger. Wismoyo (Army chief of staff) said military officers must have a slim figure, but look at me, I am even slimmer than [Armed Forces Commander] Feisal Tanjung.

[Correspondent] Do you think the recent visit to PAL can serve as an indicator of the growing democratization climate?

[Sadikin] Yes, it should serve that way, but when they made remarks like that yesterday, I do not think there is any improvement. People are hoping there is progress in the democratic process, but their hope has been dashed. The press has written a lot about their hope.

[Correspondent] What do you understand from your talks with Habibie or Sayidiman?

[Sadikin] I do not want to talk about it so as not to make things difficult for Habibie. I do not want to give more burden to him. I know there must be some friction up there in the hierarchy. So, please do not look at my trip to PAL from that angle. I only want to see what is best for the maritime industry. The technocrats should discuss the maritime industry comprehensively, present a program to the president, and implement the program.

[Correspondent] Do you observe any different political perception between Habibie and the military?

[Sadikin] I believe Habibie is still new and naive in politics. The thing is that Habibie has won a great deal of trust from President Suharto and defense industries like PAL, IPTN, and Pindad [Army Defense Industry] have been entrusted to him. However, to be honest, these defense industries will develop better under Habibie because under the Defense and Security Department, they have limited funds to manage these industries. Under Habibie, these defense industries will grow fast and this is good for the country. We must be honest and we should not look at an issue from the perception of Suharto, Habibie, or anybody else. We must look at the issue for the benefit of the nation and country.

Daily Views Banks' Stagnant Credit Situation

BK0407153393 Jakarta MERDEKA in Indonesian 14 Jun 93 p 4

[Editorial: "Stagnant Credits Are Becoming Worrisome"]

[Text] The nation's banking circle is currently facing a major problem as a result of the continuous swelling of stagnant credits. The amount of credits will definitely swell when such facilities are not easily available. Such an unusual condition has caused difficulties to business circles, particularly to those in the medium and lower business groups.

At the appointment ceremony of Bank of Indonesia's (BI) director in Jakarta last Friday, Finance Minister Mar'ie Muhammad said most of the nation's banks face this problem and that it has become the major obstacle for the nation's banking sector in their effort to channel credit facilities, particularly to business circles. This issue which has currently become a serious problem for the banking sphere, is strongly connected to credits extended by medium and upper business groups.

Meanwhile, Bank of Indonesia governor, Sudrajad Jiwandono, in a working meeting with Parliamentary Commission VII last Thursday, remarked that most of the government banks currently face the same problem. He said stagnant credits have risen to about 2.7 percent from the 131 trillion rupiah credit given out up to March 1993, or an amount of about 3,537 trillion rupiah.

Dr. Anwar Nasution, a banking and economic observer, stated that based on the information he has obtained, it was clear that most of the conglomerates were involved in stagnant credits. He admitted that it was difficult to obtain the exact figures and that it involved conglomerates.

Several other banking observers said that the amount of stagnant credits in 1992 soared to more than five trillion rupiah. On the other hand, some other observers have evaluated the amount to have reached the 10-trillion rupiah mark.

As such, it was obvious for bureaucrats and economic experts to express their anxiety due to the continuously soaring amounts. As such, the country and the business sphere may be faced with a difficult economic situation.

Experiences have proven that soaring stagnant credits in most of the developing nations was the major cause for their economic downfall. Therefore, in an effort to avert our country's economy from a catastrophe, that gnawing problem should be dealt with in a serious and conceptional manner.

Thus, the apparatus for solving the conglomerates' stagnant credits should take on the problem more courageously. This is because the conglomerates would try using all possibly devious ways to explain away their problem.

Established industrialists would, as a practise, treat this problem lightly. But if such a worrisome problem were to be left unattended, they would finally land themselves in difficulties. This is a drawn-out issue. As the situation becomes more complicated, the people's purchasing power would be greatly reduced. If such a situation takes place, then the business sector may have to wind up their operations.

The bureaucrats should embark on a firmer course of action against the established industrialists who regard this issue as unimportant. If their nonchalant attitude is tolerated, then the government aparatus would be considered ineffective.

Therefore, the time is ripe for government bankers to examine the reasons for soaring stagnant credits. Is it true that banks were "cheated" or is it because there was collusion with contributors?

But as a preliminary step, bankers—in particular government bankers—should never again extend credit facilities for unaccountable investments. What is more important is to totally eliminate the collusion between industrialists and government bankers.

The national economy is definitely and totally dependent on the ability of the banking sector's to expand. When the banking sector is "ill", development activities in numerous fields would be hampered. Thus, bank administrators should give priority to the use of careful and more effective principles in extending credit facilities to business circles. Furthermore, because the conglomerates are the major parties causing credit stagnation, then it is time for the government banks to limit or totally cease providing credit obligations to those with huge unpaid credits.

Agency, British Aerospace Sign Cooperation Accord

BK0407074493 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 4 Jul 93

[Text] The Strategic Industries Management Board [BPIS] and British Aerospace, a British company, have agreed to broadly develop cooperation in aeronautics, including an offset program for military aircraft and the certification of CN-235 transport planes manufactured by the Nusantara Aircraft Industries [IPTN]. The agreement was signed by B.J. Habibie, minister of state for research and technology and chairman of the Board for Technological Studies and Application [BPPT] in his capacity as BPIS chairman, and British Aerospace Executive Director R.H. Evans in the German city of Guthenberg. The agreement also covers a 35 percent offset program for HS-Hawk fighters to be purchased by Indonesia.

Laos

Leaders Greet Cambodian Government Counterparts

BK0307075293 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Jul 93

[Message of congratulations from Prime Minister Khamtai Siphandon to Samdech Norodom Ranariddh and His Excellency Hun Sen, cochairmen of the Provisional National Government of Cambodia in Phnom Penh—dated 1 July 1993]

[Text] Respected Samdech and Your Excellency: on behalf of the government of the Lao People's Democratic Republic [LPDR] and in my own name, I would like to extend warm congratulations to the Samdech and Your Excellency for your appointments as cochairmen of the Provisional National Government of Cambodia [PNGC].

The formation of the PNGC is an extremely important fruit of the elections held in late May. It clearly reflects the mutual active efforts made by the various factions in Cambodia in adhering to the policy of national reconciliation in response to the aspirations of the Cambodian people who want their country to attain lasting and stable peace. I firmly believe that the time-honored traditional friendship relations of good neighborliness between the Lao and Cambodian peoples will continue to grow incessantly in the interests of our two countries, thereby contributing to safeguarding peace, stability, and cooperation in this region and in the world.

On this glorious occasion, I wish you, the Samdech and Your Excellency, good health and successes in your noble tasks.

The report also said that on the same occasion, His Excellency Somsavat Lengsavat, our foreign affairs minister, also sent a message of congratulations to Samdech Norodom Sirivut, minister of foreign affairs and international cooperation of the PNGC.

Trade, Tourism Zone Planned for Mekong Bridge Area

BK0607092093 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 6 Jul 93

[Text] The Lao Government plans to set up an economic, trade, tourism, and cultural zone at the foot of the bridge across the Mekong River on the Lao side. This plan is stipulated in a recent announcement of the Prime Minister's Office of the Lao People's Democratic Republic [LPDR]. The announcement was issued to all ministries, branches, and Vientiane residents. It says: The management and use of land for any construction project in an area at the foot of the friendship bridge on the Lao bank must first gain approval from the committee in charge of developing the area. This is in order to have all buildings in the area be constructed in conformity with the plan as already approved by the government.

PRC Delegation Ends Official Visit 6 Jul

BK0607152093 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 93

[Text] This afternoon, the delegation of the Chinese People's Political Consultative Conference [CPPCC] led by Ye Xuangping, first vice chairman and secretary of the CPPCC party committee, returned home after completing a five-day official friendship visit to Laos.

While in Laos, the Chinese delegation paid courtesy calls on Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee and prime minister of the Lao People's Democratic Republic; Saman Vi-gnaket, member of the party Central Committee Political Bureau and chairman of the National Assembly; Oudom Khatthi-gna, member of the party Central Committee Political Bureau and person in charge of guiding mass organizations; and Chamnong

Inthavong, chairman of the Lao Front for National Construction [LFNC] Committee of Vientiane Municipality.

The CPPCC delegation also had a meeting with the LFNC Central Committee, in which both sides exchanged views on several issues aimed at gradually improving and expanding the relations of friendship between the two organizations. In addition, the CPPCC delegation also visited a number of production and economic construction establishments and ancient places in Vientiane city.

Seeing the Chinese delegation off at Wattai Airport were Maisouk Saisompheng, party Central Committee member and chairman of the LFNC Central Committee, and a number of high-ranking officials concerned. Huang Guocai, ambassador extraordinary and plenipotentiary of the PRC to Laos, was also on hand at the airport.

Minister Returns From Australia 6 Jul

BK0707033893 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 93

[Text] On 2 July, His Excellency [H.E.] Phao Bounnaphon, minister attached to the Prime Minister's Office of the Lao People's Democratic Republic [LPDR], and his delegation paid a courtesy call on H.E. Bill Hayden, governor general of the Commonwealth of Australia, at his residence in Sydney. Earlier, H.E. Phao Bounnaphon and the LPDR delegation met with many other leaders and dignitaries of Australia, including the minister of transport and communications, minister of resources and tourism, the minister of foreign cooperation development, and the director general of the aid organization for international development. The Lao delegation also held a meeting with an Australian delegation led by H.E. Gareth Evans, minister of foreign affairs, at the National Assembly in Canberra. In addition, H.E. Phao Bounnaphon held talks with many businessmen of private sector in Australia, during which he gave a clarification of the government's policy on foreign investment and development cooperation, which is now being pursued in the LPDR.

H.E. Phao Bounnaphon and his delegation, which also comprised H.E. Leuan Sombounkhan, vice chairman of the Planning and Cooperation Committee, began the friendship visit to Australia on 26 June. The LPDR delegation returned to Vientiane on 6 July.

Company Loses License for Overseas Flights

BK0407082293 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Jul 93

[Text] The license for operating all international flights from the Lao People's Democratic Republic [LPDR] granted to the Ben Chang Company will be unconditionally revoked by the Lao Government. This is because the said company lacks the capability and sincerity to fulfill the agreement it has signed. For example, the company has brought into Laos only U.S. $2.1 million out of $39 million of investment money it initially pledged in the agreement. Moreover, it has been losing business constantly and has resorted to certain illegal practices in carrying out operations.

The withdrawal of the license is expected to be completed in the next two months.

A source from the Committee for Planning and Cooperation said that a report compiled from inspections of the implementation of the agreement with the firm, conducted by the Ministry of Communications, Transport, Posts, and Construction on 7 March and 30 May 1992 and the latest report submitted by the LPDR inspection team showed that the Ben Chang Company which has invested in Laos in aviation business to operate international flights here has failed to fulfill the following obligations in the agreement it signed with the Lao government.

It has brought only $2.1 million into Laos of the initial investment fund as opposed to the agreed upon figure of $39 million. It has refused to allow the Lao side to inspect and appraise the value of its assets. It has not implemented the business management principles stipulated in Article 6 of the agreement. It has paid no heed to discussing a vital issue regarding the transfer of ownership rights to the Lao side in accordance with Article 8. It has also failed to fulfill its tax obligations and business objectives earlier agreed upon.

The LPDR Committee for Planning and Cooperation went on to say that it was concluded that the Ben Chang Company lacks funds to carry out business operations as stipulated in the agreement and has unilaterally taken matters into its own hands in resolving Laos' aviation problems. Moreover, it has also failed to make public its financial and book-keeping position. Worst of all, it has constantly operated at a loss. For example, it suffered a loss of 2.4 million kips in 1991 and 263 million kips in 1992. It has illegally established cooperation with other companies and has tried to evade the LPDR's laws and regulations. Regarding this development, the Lao government has tried on several occasions to negotiate with the company, which has refused positive or direct cooperation. In addition, this company also lacks many other qualifications.

Reacting to this development, the Lao Government has come to the conclusion that the behavior of the company has caused serious damage to Laos' interests. Therefore, the Lao Aviation Department has to withdraw from the said company, without any conditions, all rights to operate all international flights to and from Laos. The withdrawal of these privileges must be completed within the next two months, beginning from 21 June —the day the Committee for Planning and Cooperation affixed their signatures on the memorandum.

During the preparations for withdrawing the operations license, the Ben Chang Company is still permitted to carry out its operations as usual until the day it signs the memorandum to hands over its operations to the Lao side.

Memorandum on Nam Theun Hydropower Project Signed

BK0307133193 Vientiane KPL in English 0904 GMT 3 Jul 93

[Text] Vientiane, July 3 (KPL)—The Lao PDR [People's Democratic Republic] has signed a memorandum of understanding (MOU) with two investment groups to develop the Nam Theun 1-2 hydropower project. The MOU calls for the creation of a joint venture between the government of the Lao PDR and the two investors, the Nordic Group and MDX Company Limited.

The Nam Theun 1-2 is planned to be a 210 megawatt [words indistinct] hydroelectric power plant located in Bolikhamsai Province of the Lao PDR. The site is located on the Nam Theun river on one of the Mekong river's largest tributaries. The project is expected to generate as much as [words indistinct] of electricity per annum. The output from the plant is planned to be sold to the Electricity Generating Authority [EGAT] of (?Thailand) as per a recent memorandum of understanding signed by the governments of Thailand and Laos to cooperate on the development in [words indistinct] to 1,500 mw of power resources in the Lao PDR.

MDX Company Limited (MDX) is one of Thailand's leading infrastructure-related development companies. MDX has successfully developed the Gateway City Industrial Estate, the largest industrial estate in Thailand, and the company has been listed in the Stock Exchange of Thailand since March 1992.

The Nordic Group consists of (?Vottenfall) and Statkraft, the largest utilities in Sweden and Norway, [words indistinct], and Nordic Power Invest, which is a consortium on power interests from Sweden, Finland and Denmark. Taken together, this group represent one of the largest developers and operators of power plants in the world, with an unparalleled track record in the hydropower sector.

The Government of the Lao PDR will own a majority interest in a joint venture. In addition, critical financial and other support will be provided by the Asian Development Bank (ADB) which has agreed to be the (?leading) coordinating agency for the development of the project.

The Nam Theun 1-2 project is expected to be among the first of several power projects to be developed in the Lao PDR to export electricity to EGAT [words indistinct] in the Lao PDR to export electrity to ease a feasibiity study, including an environmental impact assessment report, has been carried out by Norpower [word indistinct] and a critical design criteria for the project has been to minimize the environmental impact of its implementation [sentence as received]. In fact, the run-of-the-river project has been designed such that only are [words indistinct] by subject to natural flooding will be inundated, resulting in minimal to no resettlement and loss of cultural heritage, or loss of important habitat issues. In addition, a variety of positive environmental impacts have been intensified, including improved irrigation and navigation opportunities.

Somsavat Lengsavat Receives UN Office Chief

BK2906074793 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Jun 93

[Text] Foreign Affairs Minister Somsavat Lengsavat received Mr. (Sung), director of the UN regional office for the development of Asia and the Pacific, at the Ministry of Foreign Affairs yesterday.

During the meeting, both the guest and the host emphasized the issues of UN cooperation and assistance to socioeconomic development in Laos, which also included the development of human resources. Besides, the Lao minister and the guest also exchanged views on environmental protection and consumption of water in the Mekong River, as well as in other issues of mutual interest.

Somsavat Lengsavat also expressed thanks to the UN Development Program for its assistant given to Laos in many fields in the past period. He said such assistance has greatly contributed to the socioeconomic development and the gradual improving of the living conditions of the Lao people. Additionally, the foreign minister expressed the hope that such assistance would be steadily increased.

The UN official is on his visit to Laos to attend a meeting of the International Mekong Organization being held in Vientiane from 27 to 29 June.

Timber Quotas Fixed for Provinces, Enterprises

BK0107090393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Jun 93

[Text] With permission from the government, the Ministry of Agriculture and Forestry has set timber extraction quotas totalling 500,800 cubic meters for 1993 for various provinces and timber enterprises in both the state and private sectors nationwide.

The extraction quota includes a total of 217,600 cubic meters of living trees, while the remaining are dead trees and felled logs in the Nam Ngum Reservoir. Each province will be allowed to take logs to be processed by sawmills for use in construction in its respective areas. In case of a surplus of construction timber, any province wishing to export the processed wood must submit a request to the government through the Agriculture and Forestry Ministry for further approval.

Norway Provides Aid for Drought-Affected Area

BK2906110393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Jun 93

[Text] On 26 June, a christian assistance organization of Norway agreed to give Luang Namtha Province gratis aid worth $60,000 for use in buying polished rice, rice strains, and other necessary relief items for the people in Long District, Luang Namtha Province, who suffered from drought during the production season last year.

The assistance agreement was signed by Mr. (Rolf Schmidt Dunkel), senior advisor cum coordinator of the Norwegian Christian organization; and Saisongkham Phimmason, head of the Agriculture and Forestry Service of Luang Namtha Province, in Luang Namtha Province on 26 June.

According to the agreement, a company which finds permanent jobs for people in the mountainous region has been assigned to buy a total of 150 metric tons of polished rice at a cost of $44,405 and five tons of seasonal rice strains worth $1,142 for the people. The remaining part of the money will be used to cover expenses in transportation and other services. According to the plan, the distribution of aid items is expected to be complete between July and February next year.

Sixty-Seven Refugees Return From Southern China

BK2906105193 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 29 Jun 93

[Text] According to regional reports, a hand-over ceremony of 15 families totaling 67 Lao refugees took place at the Lao-Chinese border area between Bo Teun and Bo Han on 27 June. This is the second batch of Lao refugees to return home from the southern region of the People's Republic of China this year.

Representing the Lao side at the ceremony were Ongkot Dala, head of the Social Welfare and War Veterans Service of Luang Namtha Province and Mrs. [name indistinct], of the United Nations Office of High Commissioner for Refugees [UNHCR] representation office in Laos. The Chinese side was represented by (Zhang Quangtze), deputy head of the repatriation office of Yunnan Province and Mrs. [name indistinct], of the UNHCR representation office in China. The ceremony was held in the presence of officials of agencies concerned from both sides.

For the time being, the Lao refugees are staying in Luang Namtha Province waiting to journey to their native towns. They include one family of 17 natives of Luang Prabang Province, 10 families with 41 natives of Champassak Province, two families with six citizens of Bolikhamsai Province, and two families of [number not given] citizens of Vientiane Municipality.

The repatriation of each group of refugees has been well assisted by the UNHCR representation office in Laos. Until now, a total of 2,329 Lao refugees has returned home from southern China.

Government Bans Cigarette Advertisements

BK0107044693 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 30 Jun 93

[Text] Last week, the Prime Minister's Office [PMO] issued Instruction No. 620/PMO to the Ministry of Information and Culture and the cultural service of Vientiane city on the advertisement of Marlboro and other cigarette brands. The instruction signed by Phao Bounnaphon, minister and chief of the Prime Minister's Office, reads:

Based on Report No. 134/FDMC dated 15 June 1993 of the Food and Drug Management Committee [FDMC] on the billboards advertising Marlboro and other cigarette brands, the Prime Minister's Office has submitted a report to the prime minister and asked for his decision. The prime minister decided to prohibit the Ministry of Information and Culture, the cultural services of Vientiane city, and all provinces to grant permission to erect billboards advertising cigarettes and at the same time instructed them to absolutely ban all billboards advertising cigarettes.

After receiving the said instruction, our reporters met and asked Khamsing Chindala, head of the publication and billboard department, for clarification of the matter and the correct implementation of the PMO's instruction. The minister said that stringent measures will be taken against those who defy the instruction. The measures include issuing warnings or taking more serious legal steps against the violaters. Moreover, the minister also urged shops, restaurants, or entertainment businesses selling cigarettes, as well as others concerned, to strictly comply with the instruction, be it in regard to fluorescent light advertisments, aluminium advertisment boards, posters, or any other advertisement of any brands of cigarettes.

Philippines

Ramos Discusses U.S. Visit, Denies Plan for 2d Term

HK0707015893 Quezon City MALAYA in English 7 Jul 93 pp 1, 3

[Text] President Ramos yesterday said he has no plans of staying on beyond the end of his current term in 1998, ruling out any possibility he will work to have the Constitution amended so he can run again and serve as president longer.

The President denied his political party, Lakas-NUCD [Strength-National Union of Christian Democrats] was enticing congressmen and senators into its ranks so he could collect the three-fourths vote in each chamber needed to amend the Constitution and remove the one six-year-term, no-relection limitation on the presidency.

He said his party was recruiting converts only to make sure of congressional support for his legislative program.

The President made these statements in a special TV interview with former Ambassador J.V. Cruz. In the wideranging interview that dwelt on domestic as well as foreign affairs issues, Ramos also said:

—There was "no connection" between President Bill Clinton's invitation for him to visit the U.S. and the question of granting clemency to the communist killers of American Col. James Rowe, who was a member of Jusmag [Joint U.S. Military Advisory Group].

—He did not intend to campaign actively for his party's senatorial, congressional, and local candidates in the mid-term elections of 1995. He disagreed these elections will represent a referendum on his performance during the first three years of his presidency.

—The Presidential Commission on Good Government (PCGG) under his administration is "very different" from the previous ones because his PCGG is composed of lay religious leaders and morally upright people. Ramos also denied the PCGG was an "octopus spreading its tentacles" into the boardrooms and offices of the country's largest and most successful private businesses.

—His "symbolic personality" as president will prevent him from attending former President Marcos' burial in the Philippines if and when this happens.

—He was satisfied with the pace of the peace process involving various rebel groups but would be even happier if this could be accelerated.

—He did not believe it appropriate to name the three most effective and the three most ineffective members of his Cabinet during the first year of his administration.

On the proposal to bring in Japan and Germany as permanent members of the UN Security Council, Ramos said his government was particularly keen on seeing Japan gain this distinction because of its pre-eminent position as an economic power. He added it also supported Germany's entry into the council.

With regard to the Philippine claim on Sabah, asked if this had been put on hold or shelved to the back burner, Ramos said the country faced many grave problems that were of more urgent priority.

Back to domestic concerns, Ramos said his pledge that the country would be self-sufficient in power by the end of 1994 was a "firm and strong" commitment.

Asked if he himself should be held responsible for the power crisis or the previous administration, he replied there was "no point" in finger-pointing blame.

In assuring he had no presidential ambitions beyond 1998, Ramos explained his program to usher the Philippines into industrialized status by the year 2000, or two years after his term's expiration, had no significance beyond the fact most people were using the turn of the century as a target signpost for their plans and aspirations. "Six years as president is enough," he said.

Denies Rowe Amnesty, U.S. Visit Linked

HK0607124593 Hong Kong AFP in English 1027 GMT 6 Jul 93

[Text] Manila, July 6 (AFP)—President Fidel Ramos on Tuesday denied charges he obtained an invitation to visit the United States by dropping plans to grant amnesty to two communist rebels convicted for the murder of a U.S. military adviser here. Ramos made the denial in a taped television interview to be shown late Tuesday, the summary of which was released to news agencies in advance by the presidential palace.

"There was no connection between U.S. President William Clinton's invitation to him to visit the U.S. and the question of granting clemency to the communist killers of U.S. Colonel James Rowe," a palace statement quoted Ramos as saying.

The communist New People's Army (NPA) has claimed that Clinton's invitation, which Ramos has already accepted, was in exchange for excluding Rowe's killers from a planned amnesty package aimed at bolstering the peace process. Rowe, a bemedalled hero of the Vietnam war, was gunned down in a 1989 ambush in the Philippine capital. At the time of his death, he was head of the Joint U.S. Military Advisory Group in Manila. Two alleged members of the NPA urban death squad—Juanito Itaas and Donato Continente—were convicted of the slaying and are serving life terms in jail.

The U.S. Embassy had earlier expressed concern about a recommendation by the Philippine justice department to include the two in a list of rebels to be granted clemency as part of Ramos's peace efforts. U.S. Embassy spokesmen have said Rowe was considered a diplomat and Manila would violate international law if it granted amnesty to his killers.

The 10,000-member NPA is waging a bloody 24-year insurgency. Ramos has also offered to conclude peace with rightist mutineers and Moslem guerrillas in the south.

Says 'Six Years Is Enough'

HK0607123093 Hong Kong AFP in English 1014 GMT 6 Jul 93

[Text] Manila, July 6 (AFP)—Philippine President Fidel Ramos said Tuesday that he will bow out of office in 1998, rejecting speculation that he would have the constitution amended so he can seek a second six-year term, a presidential palace statement said.

"Six years as president is enough," it quoted him as saying in a television interview to be aired here late Tuesday.

The 65-year-old former general, who was elected last year and is promoting "Philippines 2000" to spur one of Asia's laggards to newly industrializing country status in eight years' time, said the slogan had "no significance beyond" it being a target signpost for the economy.

Ramos's ruling coalition poached from opposition parties to gain an absolute majority in the House of Representatives, and his sister, Leticia Shahani, was recently installed to the post of number two in the Senate. A three-fourths majority is needed in both chambers to convert Congress into a constituent assembly that would enable it to amend a constitutional provision providing for a single, six-year term of the president.

But Ramos said his party's recruitment efforts were only aimed at ensuring congressional support to government policies. The statement said he was satisfied with the government's efforts to negotiate a peace settlement with military, communist and Moslem rebels, but that he would be "even happier" if the process could be speeded up. He also held "firm and strong" on his commitment to end the two-year-old energy crisis by end-1994, it added.

Launches First Philippine-Owned Power Plant

HK0507030693 Manila BUSINESS WORLD in English 5 Jul 93 p 12

[Text] President Ramos launched in groundbreaking ceremonies a $170-million power plant project in Bauang, La Union, the country's first wholly owned by a Filipino business consortium, which is projected to boost the power supply in the Luzon grid. The 215-megawatt, diesel-fired facility is the "biggest single ongoing fast-track project" of the Ramos Administration under the build-operate-transfer scheme. Meanwhile, the second unit of the 65-megawatt geothermal plant in Albay is also set to be commissioned by the National Power Corporation on July 11.

Urges Congress To Pass Modernization Bill

HK0207030293 Manila THE MANILA CHRONICLE in English 2 Jul 93 p 11

[Report by Manny Mogato]

[Text] President Ramos yesterday urged the legislature to speed up the enactment of the armed forces' modernization program, especially of the Philippine Air Force [PAF], stressing air power as an essential tool for development and an instrument of the sovereign will.

The President also promised the military that he "will be bringing to bear the full weight of my presidency on the AFP [Armed Forces of the Philippines] modernization bill" which is now pending in Congress to institutionalize Air Force modernization.

As a stopgap measure, he approve "in principle" the augmentation and upgrade scheme for F5 A/B fighters "as a temporary measure until newer, more effective replacements are acquired."

The Philippines is arranging for the acquisition of at least a dozen F5 A/B fighters from South Korea during the President's state visit in Seoul last month.

Seoul was offering eight F5A and four F5B at "friendship prices" since it was phasing these aircraft out in favor of the sophisticated F16s and F18s.

The Air Force has only four F5A aircraft left, acquired from the United States in 1965, one of the first East Asian countries to possess the fighters at that time.

There were also reports that the country was also arranging similar schemes with Taiwan which is also phasing out its F5Bs after buying F16s and French-made Mirage jets.

Speaking on the 46th anniversary of the Philippine Air Force at Villamor Air Base in Pasay City, the President said the modernization of the Air Force "will have to focus on the expeditious reconstruction of its air defense system."

This means that the Air Force will have to acquire immediately at least two squadrons of multi-role jet fighters, a squadron of lead- in jet trainers, and parallel radar systems to guide those aircraft in neutralizing hostile air and waterborne intruders.

To help the armed forces, particularly the air force in acquiring those expensive assets, the President said he has already "directed the financial managers of the government to explore all possible sourcing options to underwrite full PAF modernization within this century."

He also issued the following guidelines in negotiating for the acquisition of these assets:

—use of liberal financing arrangements from the exporting countries.
—expore counter-trade possibilities to minimize foreign exchange outflows and develop new markets for Philippine commodities and products.
—implement co-poduction schemes that will facilitate technology transfer, create new jobs and enable the country to venture into aerospace production and marketing.
—diversify the country sourcing of PAF weapons system as a hedge against too much dependence on a single country source, like the United States.
—assure that the negotiations with prospective air asset suppliers are as transparent and beyond reproach as possible.

The President said he wanted the military's P145 [Philippine pesos] billion modernization plan, which is spread over a 15-year period, be enacted immediately to insulate it "from the vagaries of politics and personalities."

Air Force officials said their plan would require a minimum P44 billion to a maximum of P76 billion over 10 years.

The plan includes the acquisition of 18 to 36 pieces of fighter interceptors, like the American-made F16, installation of seven radar systems, and a credible air defense system supported by anti-aircraft batteries and surface-to-air missiles.

In its effort to acquire cheaper aircraft to augment its defense capabilities, the Air Force has been testing and looking into a number of European and other non-western aircraft, like the Mirage, the British Tornado and Warrior [aircraft name as published], the Israeli F21 Kfir, the Czech L39 Albatross, and even the Russian MiG29 and Su27 fighters.

The plan called for the development of three more air bases on the eastern part of the archipelago—one each in Isabela, Bicol and Davao.

The President said the Air Force modernization also need other assets to perform special missions, like maritime patrol, search and rescue, and heavy lift for transport of goods and people.

These missions, according to the President, "are directly tied to national government requirements.

Two of only four remaining F5A "Freedom Fighter" jets flew by the grandstand where the commander-in-chief was reviewing a parade.

Later, the country's newest air assets, like the Italian-made S211 trainers, the American-made OV10 "Broncos" attack aircraft and the MG-520 "Defender" helicopter gunships also flew by in "echelon" formation.

Economic Authority Approves Hydropower Projects

HK3006060893 Manila MANILA BULLETIN in English 30 Jun 93 p B-1

[Text] Installation of a P44-billion [Philippine pesos] country-wide network of hydropower projects has been approved by the National Economic and Development Authority (NEDA) board.

Socioeconomic Planning Secretary and NEDA Director-General Cielito F. Habito identified the first as the small hydropower project which would commission an aggregate installed capacity of 905 megawatts (MW) in 36 sites (16 in Luzon, 9 in Visayas and 11 in Mindanao) with a dependable capacity of 603 MW.

The installed capacity would range from about six MW to 113 MW and the dependable capacity from 5.6 MW to about 73 MW. The project, estimated to cost P43.65 billion, will be implemented under the build-operate-transfer (BOT) scheme.

The other project, which would cover bridge reconstruction along secondary roads, Phase IV, Group 2, is a continuation of the program under which 105 bridges nationwide have been reconstructed or are under the process of reconstruction. Phase IV, Group 2 involves the replacement of 11 temporary bridges along secondary roads with permanent structures to provide or improve essential transport facilities in rural areas. Costing P404.80 million, the project will be implemented through grant financing from the Japan International Cooperation Agency (JICA).

In approving the small hydro power projects, the investment coordination committee (ICC) imposed some conditions which the National Power Corporation (NPC) has to comply with. These conditions are:

—First pass approval shall be given to projects that will be implemented under the BOT or similar schemes.
—For small hydros that will be implemented for straight turn-key financing, the NPC will inform the ICC beforehand on the terms and conditions of financing sources.
—In developing small hydros that are classified as mini-hydros, the NPC will coordinate with the Department of Energy.
—The NPC will seek the legal opinion of the Department of Justice (DOJ) and the Office of the Government Corporate Counsel in deciding which entity has the mandate to implement some of the small hydro projects in consideration of R.A. [Republic Act] 6957 (BOT Law) which authorizes local government units (LGUS) to enter into BOT contracts.

—The NPC will secure all the necessary clearances (ECC [expansion unknown] and RDC [Regional Development Council] endorsements) prior to project implementation.

'Hardships' Foreseen Without IMF Loan

HK0707030093 Manila THE MANILA CHRONICLE in English 7 Jul 93 pp 1, 6

[Report by Booma Cruz and Redempto Anda]

[Text] Acting Finance Secretary Ernest Leung said yesterday that the Philippines could survive without an economic program backed by the International Monetary Fund (IMF), but cautioned that such a step would entail hardships for the Filipino people.

"As you and I know, every person will survive but not the level of survival you and I want. You want to grow, improve the economy, have employment opportunities. The best way you can do that is through the IMF program," Leung told reporters in a chance interview in Malacanang.

But Leung insisted the government had a good chance of eventually securing an IMF program, noting that World Bank officials who paid a courtesy call on President Ramos were impressed with economic reforms he had undertaken.

Thomas Allen, World Bank representative to Manila, said, "There is good basis for sustained growth in the country," but added that current programs would have to be implemented on a good, sustainable basis.

The World Bank has reportedly urged the immediate resumption of talks between the government and the IMF, which was suspended last April due to the inability of Congress to pass priority tax bills of the executive.

Fears have been raised on the consequences of a post-IMF scenario. The finance department has allegedly predicted bleak prospects for the economy if the government falls to obtain a successor program from the IMF.

An internal memorandum prepared by finance undersecretary Romeo Bernardo raised concern over the impact on the fiscal deficit and the economy's financing requirments without the $160-million economic integration loan. Bernardo said the government could not avail itself of the money it expected from the World Bank and the Eximbank of Japan this year without the IMF seal of good housekeeping, the gauge of credit worthiness of a country.

According to the memorandum, a year's delay in the release of the loan would increase financing need by $148 million, which might force the government to resort to domestic borrowings.

Bernardo hinted that the government would have a difficult time absorbing more domestic borrowings given the current deficit of P40 million [Philippine pesos] [figure as published]. He also warned that the power development program of the National Power Corp. might not push through because of the possible cancellation of the $230-million assistance from the OECF [Overseas Economic Cooperation Fund] of Japan under the 18th yen loan package.

The cancellation of the loan to Napocor [National Power Corporation] in turn would affect the growth of the economy and set back whatever gains the administration has so far achieved.

In an interview, Bernardo admitted preparing the memorandum but denied painting a bleak scenario for the economy in the absence of an IMF program. Bernardo explained that what he had meant was that the lack of an IMF program would have no "immediate impact" on the economy because the country had international reserves amounting to $6 billion.

Bernardo explained that the government only wanted an IMF program because this would make the "flows in our external position more comfortable" and "it is easier to realize our growth objectives if we have a program." He stressed that an IMF program was not a "cure all," pointing out that the government would have to do its assignment with or without the seal of good housekeeping of the international financial institution.

Bernardo said the government would have to work for higher collection of taxes, pursue privatization, ensure quality of projects and better use of resources already committed to achieve growth targest.

The Freedom from Debt Coalition (FDC), an anti-IMF lobby group, argued that the country's economic recovery did not hinge solely on the approval of an IMF program. The FDC said that while loan agreements state that the country's "macro-economic" programs will be carried out in close coordination with the IMF, these agreements do not say that an IMF program will be the "sole criteria" by which the World Bank will judge the Philippines' economic performance.

The FDC said that the World Bank was more concerned with the government's handling of its trade and financial reforms, particularly its protectionist policies on the agriculture sector as well as the status of restructuring the old Central Bank.

Military Plans To Decrease Number of Soldiers

HK2906033093 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 28 Jun 93

[Text] A high-ranking Armed Forces of the Philippines official has reported that the number of soldiers in the country will be decreased within two years as part of a plan to move from counterinsurgency to external defense. The program aims to cut the current number of 140,000 soldiers to 85,000 by the year 1995. The military has also been studying a recommendation to dissolve approximately 800 Citizen's Armed Forces Geographical Unit [CAFGU] companies throughout the country. The CAFGU has been used against New People's Army rebels who have returned to areas that the government has taken over.

Thailand

Copyright Bill Ready for House Debate by 31 Jul

BK0607092793 Bangkok THAI RAT in Thai 6 Jul 93 p 7

[Text] Commerce Minister Uthai Phimchaichon said he has sent the amended copyright bill to the Office for Coordination of International Economic Affairs on 7 July [as published], and the draft will be forwarded to the cabinet soon. Once the cabinet has approved it, the bill will be directly forwarded to parliament. There is no need for the Juridical Commission to study the bill again since members of the commission are also drafting the amendment. It is expected that the government will submit the bill to parliament before 31 July for a general debate before the closing of the current House session according to the wishes of the United States. Uthai said he will propose the appointment of a committee to screen the bill because of its complicated nature.

Asked whether the United States will be pleased with the amendment, Uthai said that is not the question. He said the amendment of the copyright bill is complete and he believes the government has been fair and has done the right thing. The executive branch has completed its duty, and the responsibility now rests with the parliament. The parliament might not approve the bill, he said, adding that this is what the United States should understand—that the Thai parliament has the final say on it.

Deputy Minister Questions Russian Arms Purchase

BK0707024593 Bangkok BANGKOK POST in English 7 Jul 93 p 3

[Text] Deputy Defence Minister Sombat Rotphothong said yesterday that it may not be possible for the Thai armed forces to switch their military hardware and weapons to those produced by Russia.

"They could pose a problem for the armed forces if they are purchased," said Maj Gen Sombat, commenting on the offer by Russia to sell a helicopter fleet to the Thai Army through a 50 per cent barter deal for Thai goods, including rice.

He said the Army is considering proposals for its helicopter purchase plan and it may take some time before reaching a decision.

The deputy minister also confirmed that a senior Russian government official had met with him recently to propose a barter deal of Thai rice for Russian weapons.

The Russian official, who is also a deputy minister, was referred to the leaders of the three armed forces. He said that the armed forces have their own committees to take charge of acquiring military hardware and weapons and new purchases normally had to be compatible with existing systems and equipment.

Defence Minister Wichit Sukmak said he has not received any report from the Army so far on the Russian proposal, but he explained that any country can make proposals which would be considered if the terms match the price.

Prasong Confirms Commitment To Help Cambodia

BK0707032193 Bangkok BANGKOK POST in English 7 Jul 93 p 8

[Excerpt] Foreign Minister Prasong Sunsiri yesterday confirmed Thailand's commitment to help rebuild Cambodia based on assistance to be worked out jointly by the two countries.

Sqn Ldr [Squadron Leader] Prasong said after yesterday's Cabinet meeting Thailand would maintain as much of its assistance to Cambodia as possible, including the construction of roads and schools.

"As for other Thai contributions, I will have to consult with (Cambodian co-prime ministers) Prince Norodom Ranariddh and Mr Hun Sen," he said.

The Foreign Minister said he had stressed the importance of rebuilding Cambodia during his meeting on Monday with US Ambassador to the United Nations Madeleine Albright.

He said he called on the United States and the international community to help rebuild Cambodia while leaving Cambodian politics to the Cambodians.

"International assistance in improving the living conditions and education of Cambodians will by itself settle internal conflicts," he said.

He said the ambassador did not mention the US position on the Khmer Rouge joining the Cambodian government during their talks.

He said the ambassador only mentioned that Cambodian politics should be left to Cambodians.

Ambassador Albright told reporters on Monday the US would find it "very difficult" to support a government which included the Khmer Rouge but added that it was up to the Cambodians. [passage omitted]

Effect of Australian Cancellation of Margin Viewed

BK0507032593 Bangkok THE NATION in English 5 Jul 93 p B12

[By Atchara Phongwutthitham]

[Text] Australia has cancelled Thailand's five per cent margin of preference under the Australian System of Tariff Preference (ASTP) along with the margin of preference of more than 80 other developing countries, Thailand's commerce councillor at Canberra said recently.

Rat Chanthongkaeo said Australia introduced the new policy, which took effect on July 1, to deny preferences to imports from mainly developing countries in an effort to assist the country's domestic industries.

"By not giving the preferences, Australian products will immediately be five per cent cheaper than imported products, since the differences between normal rates of duty and imported duties for developing countries are merely five per cent," Rat said.

Products most affected from the preference phase-out are dried fruit, fruit juice, sugar, canned food, chemicals, textiles, clothing and footwear.

The cancellation, however, will not mean Thai exports to Australia will suddenly be less competitive, since other competitors will be subject to the same reduction, Rat said. Among the countries to be denied the five per cent margin of preference are China, Vietnam, Indonesia, Malaysia, Philippines and India.

According to an Australian Customs Notice document, 49 of the least developed countries and some others are exempted from the phase-out. Based on the Australian national policy, the differences of tariffs between locallyproduced products and imported products will no longer exist after July 1996.

Wilai Kiatsichat, chairman of the Thai Canned Food Producers Association, said she blamed the cuts to the five per cent margin of preferences on the inability of Australian producers to effectively compete with imports.

"Australia has introduced several measures such as anti-dumping and countervailing duties, but all of these weren't successful," Wilai said. "They have come to the last resort—denying the margin of preference."

Wilai said she believes that since the cut equally affects every country, Thailand's ability to.compete is not affected. Thai exports to Australia are mainly canned tuna, canned pineapple and other canned food, Wilai said.

"Australia, however, is a new market for Thailand. We entered it only a few years ago, and most products exported to the market are cheap, inexpensive ones. So we will not be affected much by this," she said.

Meanwhile, Thai canned food exports for this year are expected to be 10 per cent lower than the earlier target set at Bt[baht]40 billion. The decrease is mostly affected by the EC quota on canned tuna introduced for the first time this year. The EC has been Thailand's largest tuna importer for years.

Official Comments on Chinnawat, AsiaSat Meeting

BK0507031493 Bangkok THE NATION in English 5 Jul 93 p B12

[Text] Chinnawat Satellite Co and the Hong Kong-based AsiaSat Co are closer to clearing their conflict concerning satellite orbital slots, according to Deputy Director-General Sethaphon Kusiphithak of the Post and Telegraph Department.

The two companies met in Hong Kong on June 30 and saw signs that the chronic problem could be solved soon, he said.

Sethaphon said AsiaSat had recently changed the head of its negotiation team. The new head appeared to be more understanding and cooperative.

NT Sets Up Base for Push Into Indochina

BK0607015493 Bangkok THE NATION in English 6 Jul 93 pp B1, B18

[Text] Canada-based Northem Telecom (NT), the latest communications equipment manufacturer to go international, is to form an alliance with Thai partners to to penetrate the Indochina market.

The company selected Thailand as its Indochina base about two years ago and late last year rushed to establish an office here after realizing that it could no longer afford to lose the business opportunities in the lucrative Southeast Asian markets.

NT is drawing up an organizational structure for business investments in Thailand. The plan is expected to be finalized within 12 months, said Arky Arduini, NT's director for business development (Thailand and Indochina) in an interview with THE NATION.

Thailand has become the most significant target of the world's leading communications manufacturers for local supply and a bridge to the Indochina markets.

France's Alcatel, Ericsson of Sweden, NEC from Japan, Siemens of Germany and AT and T of the United States have made their presence felt in Thailand. NT is the latest.

As the latest communications equipment maker to go global, NT has found the competition in Thailand's telecoms arena tough, making it look to strong partnerships with local firms. Loxley (Bangkok) Plc is likely to be the first.

Arduini said his personal view was that NT could be successful in Thailand if it cooperates with strong Thai firms with skills in telecommunications.

He said he had discussed a joint venture with Loxley several times but the Thai company had yet to agree, probably because NT's long term commitment must be ensured.

Loxley has been NT's distributor of telephone switching facilities and packd switching network for a long time.

"We are considering forming a local unit of NT as a joint venture with a strong Thai firm or firms, and it should be managed by Thais," Arduini said, adding that he would re-position himself to oversee other business after that.

He said that he is also considering other business alliances, including cooperation or joint-ventures with several Thai companies to look after separate NT products and businesses.

Arduini said he believes NT can take on the strong local competition through its sophisticated technology as the spearhead and by concentrating on wireless communications markets.

"You cannot be successful as the sixth (company) to compete in the wireless switching markets as (the others have) contracts already awarded. The potential for about five years from now is wireless communications," he said. NT has set a target of becoming one of the leading wireless communications equipment suppliers in Thailand and Asean, he added.

Though NT is a latecomer to Thailand, it is close to sealing a number of contracts to supply communications products for many ventures in Thailand and an

Indochina country soon, said Arduini. He declined to be specific, saying that the contracts have yet to be signed.

He said NT is planning to accompany Bell Canada International in proposing to TelecomAsia, the operator of Bangkok's new two million telephone line network, the setting up of a data network centre to provide all forms of information in Thailand.

In addition, he said NT would concentrate on packet switching telephone switching facilities and intelligent payphones in Thailand, and that its business approach will be coordinated with Bell Canada International which already has an office in Thailand.

NT has offices in Japan, Hong Kong, Taiwan, Korea and Singapore. In Japan, it has just become the first non-Japanese telecommunications equipment producer to supply digital switching equipment for the country's public network.

The Canadian company came to Thailand 13 years ago. It has a plant in Phuket to produce magnetics for electronic components used in all NT products.

Consulate: Vietnam Wants More Investment

BK0607115493 Bangkok Radio Thailand Network in English 0000 GMT 6 Jul 93—FOR OFFICIAL USE ONLY

[Text] Vietnam has urged Thai business people to invest more in several projects in that country. The call was made during a recent visit to Vietnam by a Thai delegation for the release of 176 Thai fishermen who had been imprisoned in Kien Giang.

The Thai consulate in Ho Chi Minh City reported that Vietnam had invited Thai investors to invest in such projects as cement production, rice milling, shrimp farming, rice cultivation, and port improvement. The Vietnamese side was of the opinion that Vietnamese investors are not fully confident in Thai business people and Thai-Vietnamese joint ventures. It called on Thailand to help rectify the situation and enhance cooperation in economic development on the basis of mutual benefits. Vietnam also proposed that both countries exchange more visits to strengthen relations and promote better understanding. This will contribute to trade expansion between the two countries.

Export Shortfall Blamed on Movement of Production

BK0507065593 Bangkok Radio Thailand Network in English 0000 GMT 5 Jul 93

[Text] Executive Director of the Board of Trade of Thailand Prayun Thaloengsi cites the relocation of production bases by Thai business people as the reason for export shortfall. Mr. Prayun says Thai export this year is likely to reach 940 billion baht against 980 [billion baht] as set earlier. He says the relocation of production bases by Thai business people to China and Indochina has led to competition among the Thai products made in Thailand and those made in the new production sites. The main Thai products of which production bases have been relocated to China and Indochina are footwear and textile. Mr. Prayun says the private sector is trying to seek new markets for Thai export at all times. He says Thailand is also faced with the problem of production efficiency and higher labor cost. Thai export has been affected by Chinese and Vietnamese products which are cheaper due to lower production and labor costs.

Low Agricultural Prices Faulted

BK0707034793 Bangkok THE NATION in English 7 Jul 93 p B14

[Text] Commerce Minister Uthai Phimchaichon said yesterday that Thailand's exports seem to be under target due to the lower prices agricultural products are fetching on world markets.

"If we consider export figures carefully, we will see that exports of industrial products are accorded to the planned target," he said.

According to Uthai, farm products being exported total no less than last year's.

"However, the values of farm products are decreasing," he said.

Earlier the Commerce Ministry announced it would lower its original Bt [baht] 981 billion export target for 1993 to Bt916 billion, due to the sluggish world markets.

The Bt916-billion export target represents an 11 per cent increase on last year's figure.

During the first half of the year, Thai exporters exported goods worth Bt428 billion, with textiles and garments being the most active and enioying total sales of Bt45.5 billion. They were followed by computers and component sales, Bt29.2 billion.

Uthai cited the example of tapioca pellets. "The amount sold is relatively the same as last year's but the price is lower," he said.

Exports of agro-industrial goods, according to the ministry, recorded negatively during the first half of this year.

Meanwhile, Cabinet yesterday acknowledged the export outcomes prepared by the committee on export development.

According to the report, the increase in export values during the first four months of this year was 8.4 per cent lower than for the same period last year.

'Protectionism' Said Causing Loss of Jobs

BK0707023793 Bangkok BANGKOK POST in English 7 Jul 93 p 1

[Text] Around 800 textile workers from Bangkok and surrounding areas have been laid off recently and are unlikely to find alternative employment, according to Interior Ministry sources yesterday.

The sources said Labour Protection and Welfare Department figures show about 800 or three per cent of the total 20,000 textile workers in and around Bangkok have been laid off recently.

The figures do not include the 376 workers at Thai Durable Textile currently protesting their retrenchment at the Phra Pradaeng factory in Samut Prakan Province.

The sources said the trends indicate more textile workers will be laid off because of increasing protectionism from overseas markets.

"The various trade blocs in the world such as the European Community have become increasingly protectionist towards their markets and are closing them off to our textile products," one source said.

Labour Protection and Welfare Department Deputy Director General Rangsarit Chantarat yesterday joined Interior Minister Chawalit Yongchaiyut in giving the Cabinet a briefing on the Thai Durable Textile protest.

Sources said the department could not find out the real reason why the workers were being laid off or whether part of the reason was a wish to be rid of union activist Aruni Sritoh after she mobilised workers in their demand for 90 days' paid maternity leave.

Labour Protection and Welfare Department Director-General Prasong Rananant said he would ask the textile factory owners today to cooperate by complying with suggestions drawn up by the department to lessen the impact on workers affected by the introduction of new production equipment.

The suggestions will be handed to the factory owners at a meeting today.

Mr Prasong said the suggestions included a provision that staff only be laid off as a last resort and that the retrenchments be based on seniority so that those with long service records would be retained.

The employers will also be asked to reduce their administrative and production costs, improve their personnel management, reduce overtime payments and allow employees to take their leave entitlements.

Labour congress representatives will be invited to a meeting at the department on July 13 and asked to cooperate with the suggestions handed the company, he said.

Mr Prasong said many more textile workers would be laid off because factories were replacing old machines with new equipment.

Long-serving staff will be worst affected if they are laid off and employers should be concerned about their difficulties in finding alternative employment, he said.

Mr Prasong said the Thai Durable Textile management should consider allocating another two-three million baht in compensation for the 376 staff being laid off as some have worked with the company for over 20 years.

Labour expert Prof [Professor] Nikhom Chantharawithun said an arbitration committee made up of a representative each from the employers and employees and an independent representative should be formed to settle the dispute.

He said the staff should return to work before arbitration began.

Prof Nikhom said reasoned negotiations would clear the air between the employers and staff and he would like the same model adopted for other labour disputes.

About 250 Thai Durable Textile staff continued their peaceful protest at the textile factory yesterday, as negotiations between the labour union and management are expected today.

The Joint Public-Private Sector Consultation Committee has called on the Government to take legal action against the protesters for allegedly laying illegal siege to the factory, but company union leader Ms Aruni said it was the management which first broke the written agreement signed with workers three years ago.

Meeting With Malaysia, Indonesia Slated

BK0607021493 Bangkok THE NATION in English 6 Jul 93 p B3

[Text] The National Economic and Social evelopment Board (NESDB) and the National Planning Agency of Malaysia have come up with the terms of reference for sub-regional cooperation, the so-called Growth Triangle.

The Malaysian authorities will host a tripartite meeting with the relevant ministers and officials concerned with the Indonesian, Thailand, Malaysia Regional Development Project (ITMDP) from July 19-20, on the island of Langkawi.

Officials of the three will meet on July 19 while the ministers are scheduled to meet the next day.

Ministers from the three countries are expected to officially endorse the terms of reference during their upcoming meeting.

The Growth Triangle is an initiative covering ten potential areas for possible mutual cooperation across the Malaysia, Indonesia and Thailand frontiers.

Initiatives on the agenda include cross-border trade and investment, human resources and labour mobility, tourism, agriculture and fisheries, energy development, industrial cooperation, infrastructural linkage, transport and shipping services, institutional alrangements, and environmental protection and management.

The meeting will be the first occasion that ministers from the three countries have met to discuss sub-regional cooperation.

In his January trip to Kuala Lumpur, Prime Minister Chuan Likphai agreed in principle with the Malaysian leader Datu Mahathir Mohammad to create the sub-regional cooperation initiative.

The purpose of the meeting is to discuss and approve the project's terms of reference as well as commission a feasibility study—by the Asian Development Bank (ADB)—on the project.

Tun Daim Zainuddin, a special economic adviser to the government, and Datu Ali Abal Hassan Sulaiman, the director general of the Economic Planning Unit of the PM department, will lead the Malaysian delegation.

A Thai official from the Foreign Ministry said the schedule proposed by the Malaysian government was too hurried, but Thai officials would discuss it at the upcoming tripartite meeting.

He added that the Foreign Ministry will call a meeting among the officials involved after the meeting of the Thai-Malaysian joint-committee on July 10.

The Growth Triangle development project will cover five southern Thai provinces, four north-western states of Peninsular Malaysia: Kedah, Perak, Pulau Pinang and Perlis; and the northern part of Sumatara, Indonesia.

However, Malaysia and Indonesia have asked the Thai authorities to enlarge the area covered by the initiative to include Phuket Island, said the Thai official.

According to the terms of reference the economies of the northern Malaysian states were based on rubber and tin. Some padi is grown in Kedah, although the land is being rapidly lost to development. The area has become highly industrialized, especially along the main north-south road and rail corridor.

The southern part of Thailand, the report said, is traditionally agricultural plantations in the uplands and padi on the irrigated plains, although there are significant industrial developments in Songkhla and Hat Yai.

The potential for trade with Malaysia to the south is immense. There is a longterm plan to develop a five-province free trade zone based on trading estates at Langu, Hat Yai (Sadao), Sungai Kolok, Betong and Phatthani, each closely related with present border crossing points.

The current Seventh National Social and Economic Development Plan (1992-1996) includes development guidelines for the regions and proposes a policy for "the promotion of border provinces in the south as a gateway for trade", with Hat Yai, Songkhla specifically as "centres for transport, trade, business and services ... to be linked with several border trade points."

In Indonesia, northern Sumatra comprises the province of North Sumatra and the Special Territory of Aceh. The estimated 1990 population of the two provinces was 13.7 million; the total area covers 130,000 square-kilometres. The largest city and capital of North Sumatra province is Medan, with a population of 1.8 million.

The three national sub-regions offer considerable potential for joint cooperation, as each has a distinct economic and social character and yet each also provides the opportunity for growth and development in a symbiotic manner and for the mutual benefit of all parties, said the report.

The greatest potential for international cooperation are in the areas of trade and industrial promotion, allowing private sector business to operate freely across national borders. The role of the government is as a "facilitator", establishing a suitable climate for international trade and by providing appropriate infrastructure networks.

The terms of reference said that the consultant should consider each of these potential areas for collaboration and investigate the extent to which the joint interests of the three nations, or possibly just two, can be enhanced.

And the consultant should also specifically identify those activities suitable for implementation in the short term.

Paper: Opposition No Threat to Government

BK0407060493 Bangkok THE NATION in English 4 Jul 93 p A10

[Editorial: "Government deserves a more credible opposition"]

[Text] The three-day budget debate in the House of Representatives, which took place just less than a month after the no-confidence debate, has proven again that the government stands on a solid political foundation and whatever challenge coming from the opposition parties during the past nine months was never a serious concern for the Chuan coalition.

And that means a problem for the people, and our fragile transitional democracy. More and more gossip columnists have been clamouring for public attention and claim that we are in the midst of what they call a parliamentary dictatorship.

We don't know what is their hidden intention and what purpose it will serve in criticising a government that enjoys a simple majority in Parliament. Their comments were meant to mean that this type of democracy is no longer desirable despite the bloodletting in May 1992.

Such hints from gossip columnists may beckon unwarranted intrusion again in the arena of politics from military figures who feel that the people are getting impatient with the current national administration.

During the two debates, the opposition parties gave us enough impression they were desperate but powerless to convince the government that they should be taken a bit more seriously. For this, they have got only themselves to blame.

The problem with the opposition is that it just does not have enough credibility to convince the public that its existence is meaningful politically and substantively. It has a quality problem, starting right down from the leadership.

During the debates, most opposition MPs [member's of parliament] simply exposed themselves to public doubts about the extent of the subjects they were dealing with while they were trying to challenge government rationale in budgetary allocations. This clearly shows they have not improved their performance after the no-confidence debate.

The two opposition leaders, Pol Gen [Police General] Praman Adireksan of Chat Thai Party and Gen [General] Chatchai Chunhawan, hardly managed to show the public that they were forces to reckon with when it came to sensible presentation. They displayed signs of politicians who are no longer able to grasp the rationale of events.

Together with key party leaders, the two were unable to make any forceful impression on the Chuan administration and the public and failed to convince the electorate that they could be a far better alternative than the present government leaders. Unfortunately, their speeches were repetitively incoherent and directionless. Their minions, it is sad to say, retained an excellent form in political mediocrity.

Gen Chatchai looked more like a man who was all muddled up when he marshalled facts and figures to refute government claims that the economy was doing well. His facial expression and his hoarse voice belonged to a tired old man who did not understand why he was there. His brother-in-law Praman was a bit more energetic but not much different from Chatchai. Yet they refuse to accept the fact that their time for political retirement has come.

The budget debate was a rerun of the no-confidence debate. Other opposition leaders such as Samak Suntharawet and Chaloem Yubamrung maintained their fiery style in a self-righteous marmer. Again, credibility and character are the immediate problems they must overcome. Their rhetorics no longer appeal to an educated public.

Previously, not many governments had enjoyed an advantage over the opposition faction. What we have here are two major parties which have severe image problems. The situation is no different with other small opposition parties—a possible exception being Seritham.

The Chuan Cabinet deserves better opposition parties to pose a serious challenge to its administration. It is obvious that this is not possible in the current House of Representatives. The public has to be more vocal and expressive in their assessment of government performance and need to voice their dissatisfaction through the mass media or other channels. The Cabinet must be kept on its toes otherwise the comments of gossip columnists on parliamentary dictatorship might fall on more receptive ears.

House Approves Budget Bill in First Reading

BK0307034093 Bangkok Radio Thailand Network in English 0000 GMT 3 Jul 93

[Text] The 360-member House of Representatives yesterday evening overwhelmingly approved the 1994 budget bill after three-day debate which concluded at 2010. Prime Minister Chuan Likphai thanked all MP's [member's of parliament] for their interest in the government's principle policies of decentralization and income distribution. He pointed out that the government places emphasis on rural and provincial development without neglecting the capital and major cities. He also said that economic and social development must go hand in hand. The House of Representatives voted 179 to 93 in favor of the budget bill. A 52-member house committee is set up to consider the bill in the second reading, to be resubmitted to the House for the final reading within 30 days.

Vietnam

Clinton Decision To End Loan Embargo Reported

BK0307082293 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 3 Jul 93

[Text] According to foreign sources, yesterday, U.S. President Bill Clinton decided to end U.S. opposition against the granting of loans to Vietnam by the International Monetary Fund (IMF).

President Bill Clinton also disclosed that he would send a high-ranking U.S. delegation to Vietnam to continue looking into the issue of U.S. personnel missing during the Vietnam War in the past.

[Hong Kong AFP in English at 0803 GMT on 3 July reports in a Hanoi-datelined item: "Hanoi welcomed Saturday U.S. President Bill Clinton's decision to unblock international loans to Vietnam, but an American business leader warned that it would be 'political suicide' not to follow up by freeing trade.

["'This step will build confidence between the two countries and hasten a settlement of existing problems,' a

Vietnamese Foreign Ministry spokesman said, stressing that a full normalization of relations remained Hanoi's goal.

["Clinton announced Friday [2 July] that he would allow the International Monetary Fund (IMF) to refinance Vietnam's debt, a move that will give Vietnam access to hundreds of millions of dollars in IMF, World Bank, Asian Development Bank and bilateral soft loans.

["'The (U.S.) business community is disappointed that Clinton didn't say anything about the trade embargo,' said Mathilde Genovese, who led several U.S. groups here during her recent tenure as chairman of the Asia-Pacific Council of American Chambers of Commerce. Already lagging behind their foreign competitors since they cannot do business in Vietnam, American companies now risk being frozen out of bidding of lucrative internationally funded infrastructure projects, she said.

["'It would be political suicide for him to alienate the business community,' Genovese said of Clinton. 'He can't afford it.'

["Clinton said his decision was 'driven not by commercial interests but by the overriding purpose of achieving further progress' in accounting for the 2,226 Americans still listed as missing-in-action (MIA) from the Vietnam War. 'In an effort to encourage further progress, it is appropriate at this time to recognize what the Vietnamese have done in our effort to account for our missing.'

["Hanoi sought to allay fears that its cooperation—which U.S. officials say has improved dramatically since the start of the year—would cease once the U.S. economic pressure was off.

["'The efforts of humanitarian cooperation on the MIA issue will continue,' the foreign ministry spokesman said, while another official said the U.S. goodwill guesture would make it easier to get help from ordinary Vietnamese.

["Clinton's announcement comes ahead of a mid-July IMF meeting where U.S. allies France, Japan and others had pledged to press for the restoration of Vietnam's eligiblity. France is leading a group of countries who have pledged to help Vietnam refinance its 140 million dollar arrears.

["The IMF representative in Hanoi, Erich Spitaller, said an IMF-funded economic restructuring program could be in place in Vietnam by the autumn. He said Vietnam's IMF quota was set to rise to about 300 million dollars, though the funds would flow slowly at first.

["World Bank officials meanwhile said they planned to loan between 300 to 350 million dollars to Vietnam in the first year, starting with a project to reconstruct stretches of the north-south highway worth some 100 million dollars. The ADB is said to have three or four major projects worth some 250 million dollars in the pipeline for Vietnam, while normalization with the IMF would also open the door to loans from individual countries. The influx of funds, which will carry conditions, should accelerate communist-ruled Vietnam's transition from a centrally planned to a market economy, while allowing construction of infrastructure crucial to industrial development, economists said.

["Clinton said Assistant Secretary of State Winston Lord would travel to Vietnam on a fact-finding mission, but Vietnamese officials said they had not been contacted by Washington about a possible date."]

Further Reportage on National Assembly Session

1 Jul Morning Proceedings

BK0307170693 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Jul 93

[Report by station correspondents Ngoc Ky and Truong Cong Hoa on the meetings held yesterday afternoon and this morning by National Assembly deputies to discuss the draft of the revised land law—portions recorded]

[Summary] Dear friends: "After a few days of group debates on the drafts of various laws, yesterday afternoon and this morning National Assembly deputies held plenary meetings at the conference hall to discuss the draft of the revised land law. The meetings were directed by National Assembly Chairman Nong Duc Manh."

In a dynamic atmosphere, the deputies concentrated on discussing the five major issues—namely, the rights of land users, the terms of land allotment, land retention, land funds to be left to localities at the village level, and the system of land management agencies.

"Regarding the five rights of land users, deputies Bui Duc Luan from Haiphong, Nguyen Van Hanh from Ho Chi Minh City, Le Minh Tung from An Giang, Dang Van Ly from Tay Ninh, Le Van Chi from Thanh Hoa, Dang Quoc Tien from Bac Thai, Nguyen Duy Anh from Lam Dong, Vi Xuan Thanh from Lang Son, and Danh Oot from Kien Giang all held that the draft law this time has substantiated the people's rights to land use, such as the rights to exchange, transfer, lease, inherit, and mortgage land." Regarding the right to use land, Deputy Nguyen Duy Anh said:

[Begin Nguyen Duy Anh recording] "One of the major issues of concern to a broad section of the people is the right to use land. The land law in force and the previous draft amendments to this law in the past are still subject to restriction and confusion. However, the right to land use stipulated in the draft of the revised law submitted to the National Assembly this time is more substantial. This enables peasants to set their minds at ease to engage in production, as well as to have the courage for investment to enhance the value of land use. Based on the views of the majority of voters in our localities, we realize that the rights to land use and the terms of land allotment stipulated in the draft law meet the aspirations of peasants and land users." [end recording]

However, when it comes to specific details, there are different views on each point. Regarding the right to transfer land, Deputy Bui Duc Luan suggested:

[Begin Bui Duc Luan recording] "This law stipulates that land users have the rights to exchange, transfer, lease, inherit, and mortgage land." However, the issue that we are still worrying about is the right to transfer land. Should we analyze this right prior to submitting it to the National Assembly for decision? I think this is a stipulation allowing the sale and purchase of land. [end recording]

Referring to this issue, "Deputy Vi Xuan Thanh maintained that specific guidance for the right to transfer land should be provided by the government to prevent the people from mistaking it for the right to sell or buy land. Deputy Le Dinh Thanh from Vinh Phu also agreed that it is necessary to clearly stipulate each of these rights to avoid loopholes that may help people enrich themselves through dishonest means."

Deputies Dang Van Ly from Tay Ninh, Dang Quoc Tien from Bac Thai, and Moong Van Nghe from Nghe An suggested that the right to mortgage land be expanded, allowing the people to mortgage land not only to state banks, but also to all credit establishments under the management of the state.

Regarding the right to inherit land, a number of people expressed views in agreement with the draft law. There were also different views. Deputy Moong Van Nghe suggested that the right to inherit land should not be granted only to members of the family concerned, while Deputy Nguyen Ba Thanh suggested that this right be conferred only on members of the family concerned and that land should be given back to the administration when there is no one left in the relevant family to inherit it.

Regarding the terms of land allotment, there were two different views. The first view supported a time-limit system of land allotment as specified in the draft law—20 years for annual plants and 50 years for perennial plants. The second view suggested that land allotment be made on a long-term basis.

"A number of deputies unanimously agreed not to accept the redistribution of land that has been carried out by the Government of the Democratic Republic of Vietnam, the Provisional Revolutionary Government of South Vietnam, and the State of the Socialist Republic of Vietnam. However, it should be taken in consideration with the fact that many people who left their land behind to join the war of resistance now want it back to make a living."

This afternoon National Assembly deputies will continue their debates at the conference on the draft of the revised land law.

Deputies Discuss Draft Land Law

BK0407140393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 2 Jul 93

[Station correspondent Truong Cong Hoa's report on 2 July afternoon National Assembly's debates on the draft law on agricultural land use—portions recorded]

[Summary] "Dear friends: Yesterday afternoon, the deputies to the Ninth National Assembly's third session held debates in the conference hall to discuss the draft law on agricultural land use tax. National Assembly Vice Chairman Phung Van Tuu directed the session.

"A total of 15 deputies expressed their views on this very important draft law which has drawn the attention of our people, especially peasants nationwide. This fact is reflected through the constructive suggestions contributed by voters following the promulgation of the draft law to solicit the people's views, as well as through numerous meetings between voters and deputies before the latter's participation in the Ninth National Assembly's third session."

In expressing their views, Deputy Huynh Thi Nhan, from Ho Chi Minh City, and other deputies praised those who have helped with the compilation of the draft law on agricultural land use tax, regarding the draft document as a meticulous and serious project which takes into account voters' views. They also agreed with the name and contents of the draft document.

"Prompted by the desire to help the Ninth National Assembly's third session perfect this important draft law, the deputies focussed their debates on a number of key issues relating to agricultural land use tax payers, tax computation criteria, tax exemption or reduction, and application of this tax law on social welfare recipients.

"Regarding the first issue, most of the deputies agreed with the provision that the agricultural land use tax applies to cultivable land, water surfaces under aquaculture, and forest land. Deputy Bui Van Tam, from Kien Giang, suggested that an incentive policy be adopted to encourage peasants to promote afforestation and henceforth, quickly cover empty land and bare hills with greenry.

"Regarding the second issue, which involves tax computation criteria and classification of land categories for tax computation purposes, the draft law uses hectarage, land category, and tax rate as tax computation criteria. Generally speaking, the deputies unanimously concurred with the use of these three criteria. Going into details, a number of deputies, however, stressed the need for a clear definition of the hectarage that should be used as a tax computation criterion. This idea was shared by Deputy Nguyen Khac Tao, from Ha Tinh, and Deputy Bui Van Tam, from Kien Giang. Deputy Vo Tong Xuan, from Can Tho, and Deputy Phan Minh Thanh, from Tien Giang, pointed out that when classifying land, one should take into account the difference between location and terrain. Deputy Trieu Thi Nhay, from Yen Bai, and Deputy Vuong Thi Nhi, from Lao Cai, suggested that when classifying, one should take into consideration the difference between the various land categories in the lowlands and mountain regions. Deputy Vuong Thi Nhi said:

[Begin Vuong Thi Nhi recording] "I would like to contribute my views to Point 1 of Article 9. The tax rates on those plots of land for annual crop planting and those water surfaces under aquaculture are very appropriate. I, however, would like to suggest that a separate land classification be worked out for the mountain regions. The reason is because as far as fertility is concerned, Category I land in the mountain regions is equivalent only to Category II or Category III land in the lowlands. May I suggest that the state apply bold tax reduction measures as follows: The tax bracket for Category I land should be reduced to 500 from 550, 400 from 460 for Category II, 300 from 370 for Category III, 200 from 280 for Category IV, 100 from 180 for Category V, and no tax for Category VI." [end recording]

"Tax rates is one of the most important issues that was debated animatedly. Most of the deputies maintained that compared with the agricultural tax law promulgated in the past, great progress has been recorded in determining tax computation criteria and tax rates this time, especially with the fact that only land category, not paddy yield, is taken into account when computing tax. Most of the deputies concurred with a six-category land classification for seasonal crops and a five-category land classification for perennial crops."

"Regarding the length of time for land occupation, there were two fundamental views. The first one suggested a 10-year term as specified under the draft law. This view was shared by Deputy Huynh Thi Nhan, from Ho Chi Minh City, Deputy Nguyen Khac Tao, from Ha Tinh, Deputy Vu Manh Vinh, from Thai Binh, and others. Some deputies, however, suggested a longer land occupation term. This view was shared by Deputy Pham Nhan Tan, from Hai Hung, and Deputy Vuong Thi Nhi, from Yen Bai, who suggested a 10-year or even a 20-year term in accordance with the law on land, thus making peasants enjoy peace of mind while investing in cultivable land.

"Regarding the level of tax contributions, many deputies concurred with the need to take into account four elements while computing tax. Regarding water conservancy fees, the deputies expressed two differing views. Deputy Nguyen Khac Tao maintained that water conservancy fees be excluded from tax computation criteria whereas Deputy Bui Van Tam expressed a differing view."

"Most deputies were of the opinion that the tax scale stipulated by the draft this time reflected the generosity of party policies as well as its encouragement to amass wealth.

"Deputy Vu Manh Vinh pointed out that the provision of tax reduction for crops losses by natural disasters is fair and is in line with people's aspiration. Most deputies agreed that if the peasants suffer losses equal to 30 percent of their crops, tax will be fully exempted; for losses between 20-30 percent, 70 percent tax reduction should be given, and so forth.

"Families belonging to the social security recipient category, and ethnic minorities especially those living in highlands also received the deputies' great attention during discussion.

"All deputies agreed that a separate policy is needed for social security recipient families, but most of them thought that it should not be represented in an article like Article 22 of the draft. This is because it is not consistent with Article 1 of the draft which clearly stipulates that all users of agricultural lands must pay tax. The deputies suggested that the Article 22 be dropped, and that a by-law legal document is needed to deal with the exemption, reduction, and other forms of remuneration for people referred to in the social policies. Deputy Vo Nguyen Quan alone contended that the Article 22 of the draft should be retained."

Regarding the policy towards minority ethnic people, Deputy Dieu Khe of Song Be said:

[Begin Dieu Khe Recording] "The more rice and plant hectarage we develop, the better our ethnic people's lives will be. When we are not hungry, and when we have facilities for daily activities, like electricity, then we will be attached forever to the land we cultivate. I expect that the National Assembly will grant tax exemption and reductions to minority ethnic minorities in the Central Highlands, South-Eastern region, and other highland areas." [End recording]

Deputies also discussed the issue of enforcement once the draft becomes law. Nguyen Khac Tao of Ha Tinh suggested an amendment for the part in Article 25 which says that individuals found evading tax several times after being penalised by administrative sanctions will be prosecuted by the law. He contended that the term "several times" is not clear enough.

Vo Tong Xuan of Can Tho urged the National Assembly's Third Session to speedily pass this draft. He said:

[Begin Vo Tong Xuan Recording] "The sooner we bring this tax law into play, the greater the opportunities our peasants will have to quickly accumulate their income. This will also stimulate more investment in production. With better purchasing power, our industries will be advance quickly." [End Recording]

The National Assembly deputies will continue their debates on agricultural land tax today.

Land Use Tax Debates Continue 3 Jul

BK0307145993 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 3 Jul 93

[Text] This morning the National Assembly deputies continued their debates in the Conference Hall on the draft law on taxes on agricultural land use. National Assembly Vice Chairman Phung Van Tuu directed the session.

The deputies focused on tax exemption or reduction, taxes to be levied against perennial plants grown in areas designed for seasonal crops, the issue of whether tax payments should be made in cash or in paddy equivalent, and tax exemption or reduction to be applied to social welfare recipients.

Many deputies proposed that incentive measures be adopted to encourage peasants to achieve high yields in those pieces of land allotted to them, and that the same tax brackets on those plots of land designed for seasonal crop cultivation be applied to those pieces of land which have been improved for the planting of perennial crops or plants of high economic value. Others maintained that if only the length of time needed to determine the fertility of a piece of land were taken into consideration to classify land categories, the 5, 10, or 20-year tax period would be too short. Still others recommended that tax exemption or reduction be continued to apply to crop failures due to natural disasters on a case-by-case basis, and that full tax exemption be applied to losses from 30 percent or more. Some deputies stressed the need to exert caution when granting agricultural land use tax reductions, bearing in mind the need to work out rational measures to avoid affecting the sources of revenue and expenditures of the various localities. Others called everyone's attention to those plots of land in outer city limits and so forth.

The National Assembly deputies will continue their debates in the conference hall this afternoon.

Assembly Congratulates Cambodian Leaders

BK0507143193 Hanoi VNA in English 1359 GMT 5 Jul 93

[Text] Hanoi VNA July 5—Chairman of the National Assembly Nong Duc Manh yesterday sent a message of congratulations to Mr. Son Sann on his election as chairman of the Constituent Assembly of Cambodia.

The same day Prime Minister Vo Van Kiet extended his congratulations to Prince Norodom Ranariddh and Mr. Hun Sen on their elections as co-president of the interim Government of Cambodia.

Foreign Minister Nguyen Manh Cam, for his part, sent a message of congratulations to Prince Norodom Sirivut on his election as foreign minister of Cambodia.

More Liberal Laws on Special Taxes Passed

BK0607071993 Hanoi VNA in English 0652 GMT 6 Jul 93

[Text] Hanoi VNA July 6—The National Assembly on Monday [5 July] came up with new, more liberal laws on sales tax, special consumption tax and export-import tax.

Today it is scheduled to pass the revised laws on income tax and on oil and gas.

The new sales tax law allows businesses to pay tax in both foreign and Vietnamese currencies and extends from one to two years the maximum period for exemption. Rates are now lower for most products, which is seen as a new incentive to domestic production.

Under the new special consumption taw law, levies are now made only on cigarettes and cigars (70-32 percent), alcoholic beverages (90-15 percent) and firecrackers (100 percent).

The new export-import tax law declares tax-free goods in transit and goods in form of humanitarian aid.

It exempts goods in the form of gratuitous aid goods exported temporarily forre-import and vice versa products by groups or individuals enjoying a privileged status under government regulations or in keeping with international agreements binding to Vietnam and materials imported for processing and for re-export according to contracts signed with foreign parties.

To be considered for exemption are specialised products imported for military use, scientific research, education and training products by foreign-invested businesses or by the foreign partners in such businesses (exemption is to be granted by the state committee for cooperation and investment on a case-by-case basis following consultation with the Finance Ministry) gifts from groups or individuals in foreign countries to groups or individuals in the country, or vice versa (at levels allowed by the government).

6 Jul Afternoon Proceedings Viewed

BK0607133993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Jul 93

[Text] This afternoon, the Ninth National Assembly's Third Session continued its work at the Conference Hall to discuss the draft law on publications. National Assembly Vice Chairman Phung Van Tuu directed the meeting.

A total of 28 deputies contributed their viewpoints to this draft law. Most of them contend that the draft law, after revision, carries the main ideas of deputies made during their recent discussions, and that various articles and chapters of the draft carry clear and firm definitions.

Many deputies suggest that the state formulate policies on financial assistance to publications designed for people in the mountain regions, ethnic minorities, and children. They also discussed measures to deal with illegal publications that cause adverse consequences and the role and responsibility in this regard of information and cultural services as well as of directors of publishing houses. They further discussed joint ventures of publishing houses and in-house publications of schools, research institutes, hospitals, and localities. Many deputies suggest that in order to strengthen the law on publications, it is necessary to formulate a law on cinematography and a law on rights of producers.

All the deputies' viewpoints have been noted by the National Assembly Secretariat and the Law Drafting Committee for compilation into documents to be submitted to the National Assembly in the next session.

Also at this afternoon's session, Deputy Nguyen Thi Ngoc Duoc, member of the National Assembly Secretariat, delivered a report on the compilation of National Assembly deputies' viewpoints to various draft laws and the draft document on work procedures of the National Assembly Standing Committee for submission to the National Assembly for approval at the next session.

Tomorrow, 7 July, National Assembly deputies will continue their work at the Conference Hall.

Assembly Passes Two Laws 6 Jul

BK0607142793 Hanoi VNA in English 1359 GMT 6 Jul 93

[Text] Hanoi vna july 6—Today, the 18th day of its third session, the 9th National Assembly passed the revised Law on Profit Tax and the Law on Oil and Gas. The bill on profit tax was passed with 321 yes, 16 no and 10 abstentions. Economists said that in view of the revised law on profit tax, budget revenues in the last five months of this year might drop by 150 billion dong. However, the revenue level approved by the National Assembly for this year will be achieved if measures to fight against tax evasion are reinforced, they said.

The bill on oil and gas was passed with 335 yes, five no and seven abstentions. In the afternoon, the National Assembly discussed in plenary session the draft law on publication which is expected to be adopted at the next meeting. The National Assembly will meet again in plenary session tomorrow.

Issues Communique No 12

BK0707043793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Jul 93

[Text] On 6 July, the National Assembly deputies met in the conference hall. In the morning, National Assembly Vice Chairman Nguyen Ha Phan directed the session, and in the afternoon National Assembly Vice Chairman Dang Quan Thuy was in charge.

In the morning session, Comrade Mai Thuc Lan, chairman of National Assembly Economic and Budget Committee, spoke on behalf of the National Assembly Secretariat, the Reviewing Committee, and the Law Drafting Agency. He discussed some amendments on the income tax law. The National Assembly then voted and passed this draft.

Comrade Mai Thuc Lan, on behalf of the National Assembly Secretariat, the Reviewing Committee, and the Law Drafting Agency, then presented some issues in relation to the draft of law on oil and gas. Twenty deputies expressed their views on this draft: Le Van Tu, Le Viet Duoc of Thanh Hoa; Nguyen Trung Cang of Dong Thap; Pham Quang Du, Do Hoang Hai of Ho Chi Minh City; Nguyen Quoc Thuoc of Nghe An; Hoang Minh Thang of Quang Nam-Danang; Nguyen Xuan Thuyet of Vinh Phu; Chu Duy Kinh, Vu Dinh Cu, Le Quang Dao of Hanoi; Le Thi Thanh Liem of Ben Tre; Nguyen Duy Anh of Lam Dong; Duong Tan De of Vinh Long; Dao Dinh Luyen of Thai Binh; Nguyen Van Kha of Nam Ha; Nguyen Phu Cuong of Lang Son; Pham Hung of Hai Hung; Nguyen Duc Hoan of Quang Tri; and Tran Minh Duan of Khanh Hoa. The National Assembly voted and passed the law on oil and gas.

Regarding the draft of law on publishing, the deputies heard Luong Ngoc Toan, vice chairman of National Assembly Culture, Education, Youth, Teenager, and Children Committee, report on behalf of the National Assembly Secretariat, the Reviewing Committee, and the Law Drafting Agency, on the review of all contributions and opinions of deputies on this draft. Then he read the amended draft. There were 29 deputies expressing views on the draft of publishing law: Tang Nghia, Nguyen Khac Tao of Ha Tinh; Do Van An of Son La; Nguyen Tan Phat, Doan Le Huong of Ho Chi Minh City; Lo Trung Thanh, Cao Xuan Khuong, Nguyen Nhu Vy of Nghe An; Tran Minh Duan of Khanh Hoa; Buddhist Venerable Thich Thien Sieu, Nguyen Dinh Ngo of Thua Thien Hue; Huu Tho, Nguyen Trong Khanh of Vinh Phu; Nguyen Viet Dung, Do Binh Duong of Ha Bac; Dang Nhat Minh, Ha Thi Lien of Thanh Hoa; Tran Van Phac of Hai Hung; Nguyen Minh Triet of Song Be; Nguyen Duc Hoan of Quang Tri; Dang Khoi of Nam Ha; Vu Quan Phuong of Hanoi; Duong Tan De of Vinh Long; Nguyen Thi Hoai Thu of Tien Giang; Vu Thi Ngoc Dau of Thai Binh; Pham Van Kiet of Can Tho; Dang Thi Thanh Huong of Quang Ninh; Tran Thi Bach Tuyet of Dong Nai; Lam Phuc Co of Yen Bai.

Late in the afternoon session, the deputies listened to Nguyen Thi Ngoc Phuong, member of the National Assembly Secretariat, on behalf of the National Assembly Secretariat and the Drafting Committee, report on the review of opinions contributed by the deputies on the draft of National Assembly Work Procedures. She also read the amended draft of Work Procedures.

Tomorrow, 7 July, the deputies will continue to work in the conference hall.

Deliberations Continue 7 Jul

BK0707060193 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 7 Jul 93

[Text] This morning, the National Assembly deputies continued their work at the Conference Hall under the direction of National Assembly Vice Chairman Dang Quan Thuy.

After listening to Dang Quan Thuy's report on issues relating to the draft regulation governing the activities of the National Assembly Standing Committee, the deputies contributed their views to the draft regulation. Then the National Assembly passed the draft regulation governing the activities of the National Assembly Standing Committee with a majority of votes.

After that, Comrade Nguyen Thi Ngoc Phuong, on behalf of the National Assembly Secretariat, read a draft regulation governing the activities of the National Assembly Nationalities Council and other National Assembly committees. Comrade Vu Mao, head of the National Assembly Secretariat reported on the views contributed by National Assembly deputies on the draft regulation. The National Assembly deputies continued to contribute their views to the draft regulation governing the activities of the National Assembly Nationalities Council and other National Assembly committees. At the end of the morning meeting, the deputies voted to appoint additional personnel to the National Assembly Economic and Budget Committee and the National Assembly Foreign Affairs Committee.

In the afternoon, the deputies will continue to work at the conference hall.

Congratulations Messages Sent to Cambodian Leaders

BK0507143193 Hanoi VNA in English 1359 GMT 5 Jul 93

[Text] Hanoi VNA July 5—Chairman of the National Assembly Nong Duc Manh yesterday sent a message of congratulations to Mr. Son Sann on his election as chairman of the Constituent Assembly of Cambodia.

The same day Prime Minister Vo Van Kiet extended his congratulations to Prince Norodom Ranariddh and Mr. Hun Sen on their elections as co-president of the interim Government of Cambodia.

Foreign Minister Nguyen Manh Cam, for his part, sent a message of congratulations to Prince Norodom Sirivut on his election as foreign minister of Cambodia.

Significance of Party Fifth Resolution Asserted

BK0507095693 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 Jul 93

[Text] NHAN DAN on 5 July carries an editorial entitled: Organize the Implementation of the party Central Committee's Fifth Plenum Resolution. The editorial says: The party Central Committee resolution has set objectives, orientations, and key measures aimed at improving our nation's agriculture and the countryside a further step.

The resolution carries the fundamental contents of our party political platform, socioeconomic development strategies, as well as our people's creative and practical life.

By applying the resolution to daily life under the creative supervision of various echelons and sectors, we will be able to create progressive models for various fields. Efforts to promptly draw on experiences and disseminate these models are necessary to speed up the implementation of the party resolution. This is because it will help aid vitality to the resolution in the process of turning it into reality.

Premier Releases Directive on Foreigners

BK0507102893 Hanoi Voice of Vietnam in English 1000 GMT 2 Jul 93

[Text] The Vietnamese prime minister has released a directive on the reception of foreigners including overseas Vietnamese who came to Vietnam for scientific research and studies. The directive points out that scientific, educational, and training institutions of Vietnam should create favorable conditions for those foreigners who want to undertake research and studies. They can enter Vietnam under agreement between the governments and between the Vietnamese Government and international organizations, or under corporation or joint venture projects.

Agreement Signed 3 Jul for Japanese Aid

BK0307150493 Hanoi VNA in English 1417 GMT 3 Jul 93

[Text] VNA July 3 VNA—The Japanese Government has decided to provide 803 million yen (7.5 million US dollars) in the 1993 fiscal year as gratuitous aid for the upgrading of the Cho Ray Hospital in Ho Chi Minh City. A note to this effect was signed here today by Deputy Foreign Minister Vu Khoan and Japanese Ambassador Hiroyuki Yushita. Present at the signing ceremony were representatives of the government's office, the State Planning Commission, the Ministries of Finance and Public Health. Speaking on this occasion Deputy Foreign Minister Vu Khoan and Ambassador H. Yushita expressed their wish for further development of the relations between the two countries.

Prime Minister To Visit Cuba in 'Near Future'

BK0307142493 Hanoi VNA in English 1400 GMT 3 Jul 93

[Text] Hanoi VNA July 3—A high-level party and state delegation led by Vo Van Kiet, Politburo member of the Communist Party of Vietnam and prime minister, will pay an official friendship visit to Cuba in the near future as guest of Fidel Castro Ruiz, first secretary of the Communist Party of Cuba Central Committee, president of the State Council and chairman of the Council of Ministers of Cuba, says the Foreign Ministry's announcement released here today.

Vo Van Kiet Holds Talks With Belgian Official

BK0207145393 Hanoi VNA in English 1429 GMT 2 Jul 93

[Text] Hanoi VNA July 2—Vietnamese Prime Minister Vo Van Kiet held talks with Prime Minister Jean Luc Dehaene at Lambermont Palace in Brussels on Thursday morning during his official visit to Belgium. The two prime ministers exchanged views on issues of common concern. They made assessment of the two countries' bilateral cooperation in the past and discussed orientations and measures for futher development of their cooperative relations, particularly the implementation of the Vietnam-Belgium agreement reached during the Vietnam visit in May this year by the Belgian depuy prime minister and foreign minister, Mr. Willy Claes. The Belgian prime minister welcomed Mr. Kiet's visit, the first ever made by a Vietnamese prime minister, which began right on the day when Belgium assumed the post of the European Community president. He noted with pleasure at the recent encouraging development of the bilateral relations, which culminated in their signing of some cooperation agreements and the implementation of some Belgian investment projects in Vietnam. The Belgian prime minister highly appreciated Vietnam's achievment in the renovation process as well as its foreign policy of diversifying its foreign relations. P.M. Dehaene welcomed P.M. Kiet's forthcoming meeting with leaders of the European Community during his stay in Belgium to work toward an early framework agreement on economic and commercial cooperation between Vietnam and the European Community. As president of the EC, he said, Belgium is prepared to create favourable conditions for Vietnam to develop its relations with the EC. For his part, Prime Minister Kiet expressed thanks to Belgium for its valuable assistance to Vietnam's national reconstruction. Reviewing the Vietnamese-Belgian relations, the two prime ministers stressed that international and regional environment is favourable for the development of the friendly and cooperative relations between the two countries. P.M. Dehaene affirmed that in its development aid scheme, Belgium will give priority to Vietnam, a country with great natural resources and stable political system. He said that Belgium will broaden its cooperation with Vietnam in different fields, encourage and create conditions for Belgian businessmen to invest in Vietnam, support Vietnam in signing a framework agreement on economic and commercial cooperation with the EC, and in the improvement of its relations with international financial and monetary organisations. He also said that Belgium will fully carry out the agreements reached during the recent visit to Vietnam by the Belgian deputy prime minister and foreign minister.

Prime Minister Vo Van Kiet held that Vietnam and Belgium should work out appropriate measures to expand their cooperation of common benefits. He invited Prime Minister J.L. Dehaene to visit Vietnam. The invitation was accepted with pleasure.

In the afternoon, Prime Minister Kiet called on Mrs. Nicole Fontaine, acting chairman of the European Parliament. He also called on the leadership of the oil and gas company Petrofina which is carrying out an oil and gas exploitation and exploration joint venture project offshore southwestern Vietnam.

Later, P.M. Kiet met with Belgian businessmen to exchange possibilities of cooperation and investment of Belgium in Vietnam.

Meets With EC President

BK0607031193 Hanoi VNA in English 1421 GMT 3 Jul 93

[Text] Hanoi VNA July 3—Jacques Delors, president of the European Community committee, received Prime Minister Vo Van Kiet in Brussels on Friday [2 July]. President Jacques Delors welcomed Prime Minister Vo Van Kiet's visit saying this is an important landmark and a good opportunity to increase mututal understanding and cooperation between Vietnam and the EC. The president expressed his keen interests in the socio-economic development in Vietnam and highly valued Vietnam's multifaceted achievements in economic and political reforms in recent years. These achivements, he said, are due first of all to political acumen of the leadership and the dynamism and organizational abilities of the Vietnamese leaders.

The EC president said: EC cannot be present everywhere in the world, but we must give priority to Vietnam and the feelings, assistance and cooperation it deserves. EC will soon signed [as received] with Vietnam a framework agreement on cooperation to serve as basis for developing the mutifaceted and long-term relations. That agreement has both economic and political significance. He said Vietnam has a large population, abundant natural resources and a numerous scientific and technical force. That is a firm guarantee for the development of Vietnam and the mutually beneficial cooperation between Vietnam and EC. He affirmed: EC will help Vietnam develop and will continue to accord it humanitarian aid and create every possible condition for it to expand its relations with the whole community as well as each country in the community. With its own efforts and EC's assistance, Vietnam will quickly develop and will have a worthy position in Southeast Asia and in the world, Mr Delors said. Prime Minister Vo Van Kiet thanked the EC president and the European Community committee for their fine sentiments and effective assistance to the Vietnamese people, especially in the programme for the reintegration of Vietnamese returnees. Prime Minister Kiet said that EC cooperation and assistance is very important for economic development and national construction in Vietnam. He expressed the wish that the EC will enhance its assistance and expand its cooperation with Vietnam. The prime minister expressed the belief that this meeting will help push up the multiform relation between Vietnam and the EC along the common trend of the world at present, i.e. peace, stability and development. Prime Minister Vo Van Kiet later held talks with Mr. Marin and Mr Brittan, vice-presidents of the EC Committee for Development and Cooperation, and called on Mrs. Nicole Fontaine, acting president of the European Parliament. In the afternoon of July 2, P.M. Kiet called on Mr. V. Keirsbilick, deputy-speaker of the Chamber of Representatives and Mr. F. Swaelen, speaker of the Senate of the parliament of the Kingdom of Belgium. He received Mr. E. Derycke, secretary of state for cooperation and development and the leadership of the Belgian-Vietnamese association. P.M. Kiet also called at the Vietnamese Embassy in Belgium. This morning, the Vietnamese Governement delegation led by Prime Minister Vo Van Kiet left Brussels for the United Kingdom and Northern Ireland.

First Stock Exchange To Open This Year

BK0507102493 Hanoi Voice of Vietnam in English 1000 GMT 2 Jul 93

[Text] Vietnam's first stock exchange could be opened in the second half of this year in a move to accelerate economic reform. Subject to trading at the exchange will be such stocks as those of commercial banks and 15 to 20 state-owned enterprises are currently trying to shift to private management. The exchange will have five to seven commercial banks as exchange members, and initially it will not accept foreign investments. The aim of the stock exchange is intended to lure people away from bank deposits to bonds and other security investments.

ROK Airline Begins Flight to Ho Chi Minh City

BK0607130093 Hanoi Voice of Vietnam in English 1000 GMT 2 Jul 93

[Text] A jet airline of the South Korean Asian Airline landed at Tan Son Nhat Airport on Thursday night [1 July] to inaugurate a regular service to Ho Chi Minh City from Seoul. Asian Airline now operates on nineteen international routes including this newly inaugurated one which will help boost economic ties between Seoul and Vietnam.

Canada Upgrades Diplomatic Mission to Embassy

BK0607114693 Hanoi Voice of Vietnam in English 1000 GMT 3 Jul 93

[Text] Canada officially decided on Thursday [1 July] to upgrade its diplomatic mission to Vietnam to embassy status. Canada established its diplomatic mission in Hanoi two years ago.